BRIEF TABLE OF CONTENTS

INTRODUCTION 1 PART I

Ten Principles of Economics 3 Chapter 1 Thinking Like an Economist 17 Chapter 2 Interdependence and the Gains from **Chapter 3** Trade 45

SUPPLY AND DEMAND I: HOW PART II **MARKETS WORK 59** The Market Forces of Supply and Chapter 4 Demand 61

Elasticity and Its Application 89 Chapter 5 Supply, Demand, and Government Chapter 6 Policies 111

THE DATA OF MACROECONOMICS PART VIII 475

Measuring a Nation's Income Chapter 22 477 Measuring the Cost of Living Chapter 23 495

THE REAL ECONOMY IN THE LONG PART IX **RUN 513**

Chapter 24 Production and Growth 515 Chapter 25 Saving, Investment, and the Financial System 541 The Natural Rate of Unemployment Chapter 26 565

SUPPLY AND DEMAND II: MARKETS PART III AND WELFARE 131

Consumers, Producers, and the Chapter 7 Efficiency of Markets 133 Application: The Costs of Taxation 155 Chapter 8 Application: International Trade 173 Chapter 9

THE ECONOMICS OF THE PUBLIC PART IV SECTOR 197

Externalities 199 Chapter 10

Public Goods and Common Chapter 11 Resources 219 The Design of the Tax System 237 Chapter 12

FIRM BEHAVIOR AND THE PART V **ORGANIZATION OF INDUSTRY** 261

Chapter 13 The Costs of Production 263 Chapter 14 Firms in Competitive Markets 283 Chapter 15 Monopoly 303 Oligopoly 337 Chapter 16 Chapter 17 Monopolistic Competition 363

MONEY AND PRICES IN THE LONG PART X **RUN 589**

Chapter 27 The Monetary System 591 Inflation: Its Causes and Costs 609 Chapter 28

THE MACROECONOMICS OF OPEN PART XI **ECONOMIES 635 Open-Economy Macroeconomics: Basic** Chapter 29 Concepts 637 A Macroeconomic Theory of the Open Chapter 30 Economy 659

SHORT-RUN ECONOMIC FLUCTUATIONS PART XII 679

Aggregate Demand and Aggregate Chapter 31 Supply 681 Chapter 32 The Influence of Monetary and Fiscal Policy on Aggregate Demand 707

THE ECONOMICS OF LABOR PART VI MARKETS 381 The Markets for the Factors of Chapter 18 Production 383 Earnings and Discrimination 401 Chapter 19 The Distribution of Income 421 Chapter 20

ADVANCED TOPIC 445 PART VII The Theory of Consumer Choice 447 Chapter 21

The Short-Run Tradeoff between Chapter 33 Inflation and Unemployment 733

FINAL THOUGHTS 757 PART XIII Five Debates over Macroeconomic Chapter 34 Policy 759

Glossary 777 Credits 783 Index 785

Cause and Effect 41