

R. GLENN

# HUBBARD

ANTHONY PATRICK

# O'BRIEN



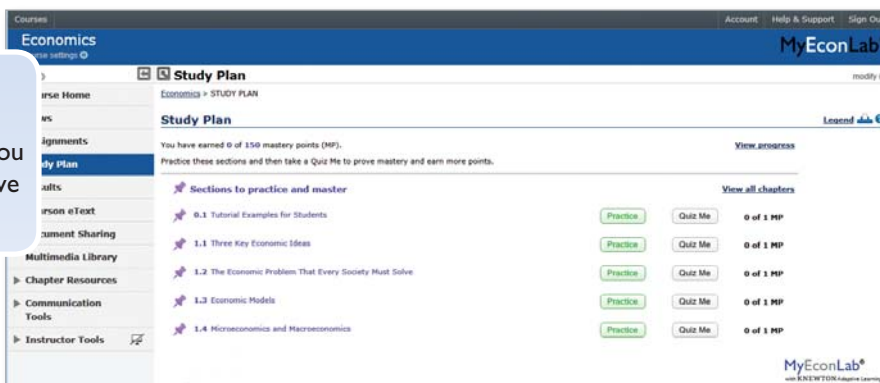
FIFTH EDITION

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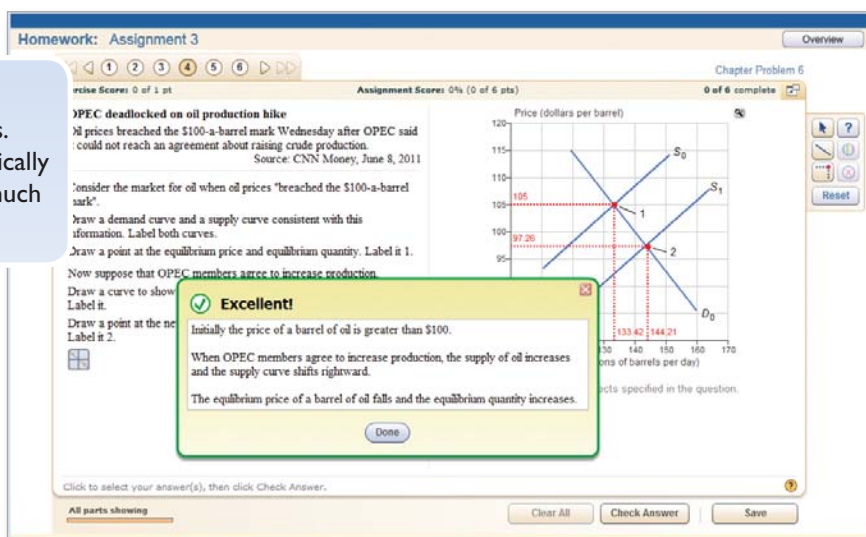
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work: Current News

Exercise Score: 0 of 1 pt

Assignment Score: 0% (0 of 4 pts)

### Real-Time Data Analysis Exercise

Click the following link to view M1 and Components data from FRED\*. Then use that data to answer the following questions.

The following series IDs correspond to M1 and its components, which are measured weekly and seasonally adjusted.

For each series ID, enter the value for the most recent observation (October 07, 2013). (Enter your responses exactly as they appear in FRED.)

Series ID	Value
M1	\$2551.8 billion.
CURRENCY	\$1147.5 billion.
TCD	\$1400.8 billion.
WTCSL	\$3.6 billion.

Based on the data above, Total checkable deposits is \$4.89 percent of M1.

Click to select your answer(s), then click Check Answer.

1 part remaining

Clear All Check Answer Save

## Current News Exercises

Posted weekly, we find the latest microeconomic and macroeconomic news stories, post them, and write auto-graded multi-part exercises that illustrate the economic way of thinking about the news.

Homework: Current News

Exercise Score: 0 of 1 pt

Assignment Score: 0% (0 of 2 pts)

### Government Furloughs Begin Due to Government Impasse

Source: Tiron, Roxana, Kathleen Hunter & Michael C. Belder. "Government Furloughs Begin Due to Government Impasse." Bloomberg.com, posted 10/1/2013.

Carefully read the article, and then answer the following questions.

The total amount of money owed by a government is known as a country's.

A. surplus.

B. deficit.

C. debt.

D. assets.

Well done!  
Deficit spending occurs when a government (or any entity) spends more money than it receives in revenue.

Done

When a government spends more money than it receives in revenue it is said to:

A. run a surplus.

B. be in balance.

C. run a deficit.

D. have a trade deficit.

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INSTRUCTIONS EXPERIMENT RESULTS

### Market for Cranberries

1 of 4

Free Market

Play to start this round.

WTP: \$12.00 You are a Buyer

Bid: \$

CURRENT BIDS AND ASKS

Your Bid: \$11.50 Highest Bid: \$ Lowest Ask: \$

Round	Role	WTP	Cost	Bid	Ask	Price	Gain
1	Buyer	\$12.00	\$11.50	\$11.50	\$11.50	\$11.50	\$0.50

TOTAL RESULTS

Round 1  
Your WTP: \$12.00  
Transaction Price: \$11.50  
Average Transaction Price: \$11.75  
Total Transactions: 8

OK

Total Gain: \$0.50

Legend: Lowest Ask Highest Bid Sellers Buyers Transaction Your Transaction

# Economics

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# Economics

Fifth Edition

**R. Glenn Hubbard**  
Columbia University

**Anthony Patrick O'Brien**  
Lehigh University

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**PEARSON**

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**For Constance, Raph, and Will**  
—*R. Glenn Hubbard*

**For Cindy, Matthew, Andrew, and Daniel**  
—*Anthony Patrick O'Brien*

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## ABOUT THE AUTHORS



**Glenn Hubbard, policymaker, professor, and researcher.**

R. Glenn Hubbard is the dean and Russell L. Carson Professor of Finance and Economics in the Graduate School of Business at Columbia University and professor of economics in Columbia's Faculty of Arts and Sciences. He is also a research associate of the National Bureau of Economic Research and a director of Automatic Data Processing, Black Rock Closed-End Funds, KKR Financial Corporation, and MetLife. He received his Ph.D. in economics from Harvard University in 1983. From 2001 to 2003, he served as chairman of the White House Council of

Economic Advisers and chairman of the OECD Economic Policy Committee, and from 1991 to 1993, he was deputy assistant secretary of the U.S. Treasury Department. He currently serves as co-chair of the nonpartisan Committee on Capital Markets Regulation. Hubbard's fields of specialization are public economics, financial markets and institutions, corporate finance, macroeconomics, industrial organization, and public policy. He is the author of more than 100 articles in leading journals, including *American Economic Review*, *Brookings Papers on Economic Activity*, *Journal of Finance*, *Journal of Financial Economics*, *Journal of Money, Credit, and Banking*, *Journal of Political Economy*, *Journal of Public Economics*, *Quarterly Journal of Economics*, *RAND Journal of Economics*, and *Review of Economics and Statistics*. His research has been supported by grants from the National Science Foundation, the National Bureau of Economic Research, and numerous private foundations.



**Tony O'Brien, award-winning professor and researcher.**

Anthony Patrick O'Brien is a professor of economics at Lehigh University. He received his Ph.D. from the University of California, Berkeley, in 1987. He has taught principles of economics for more than 15 years, in both large sections and small honors classes. He received the Lehigh University Award for Distinguished Teaching. He was formerly the director of the Diamond Center for Economic Education and was named a Dana Foundation Faculty Fellow and Lehigh Class of 1961 Professor of Economics. He has been a visiting professor at the University of

California, Santa Barbara, and the Graduate School of Industrial Administration at Carnegie Mellon University. O'Brien's research has dealt with issues such as the evolution of the U.S. automobile industry, the sources of U.S. economic competitiveness, the development of U.S. trade policy, the causes of the Great Depression, and the causes of black-white income differences. His research has been published in leading journals, including *American Economic Review*, *Quarterly Journal of Economics*, *Journal of Money, Credit, and Banking*, *Industrial Relations*, *Journal of Economic History*, and *Explorations in Economic History*. His research has been supported by grants from government agencies and private foundations.

# BRIEF CONTENTS

Preface	1	Appendix: Using Isoquants and Isocost Lines to Understand Production and Cost	379
A Word of Thanks	32		
<b>PART 1: Introduction</b>		<b>PART 5: Market Structure and Firm Strategy</b>	
<b>Chapter 1:</b> Economics: Foundations and Models	2	<b>Chapter 12:</b> Firms in Perfectly Competitive Markets	390
Appendix: Using Graphs and Formulas	24	<b>Chapter 13:</b> Monopolistic Competition: The Competitive Model in a More Realistic Setting	424
<b>Chapter 2:</b> Trade-offs, Comparative Advantage, and the Market System	36	<b>Chapter 14:</b> Oligopoly: Firms in Less Competitive Markets	450
<b>Chapter 3:</b> Where Prices Come From: The Interaction of Demand and Supply	68	<b>Chapter 15:</b> Monopoly and Antitrust Policy	476
<b>Chapter 4:</b> Economic Efficiency, Government Price Setting, and Taxes	100	<b>Chapter 16:</b> Pricing Strategy	506
Appendix: Quantitative Demand and Supply Analysis	131		
<b>PART 2: Markets in Action: Policy and Applications</b>		<b>PART 6: Labor Markets, Public Choice, and the Distribution of Income</b>	
<b>Chapter 5:</b> Externalities, Environmental Policy, and Public Goods	136	<b>Chapter 17:</b> The Markets for Labor and Other Factors of Production	532
<b>Chapter 6:</b> Elasticity: The Responsiveness of Demand and Supply	170	<b>Chapter 18:</b> Public Choice, Taxes, and the Distribution of Income	568
<b>Chapter 7:</b> The Economics of Health Care	204		
<b>PART 3: Firms in the Domestic and International Economies</b>		<b>PART 7: Macroeconomic Foundations and Long-Run Growth</b>	
<b>Chapter 8:</b> Firms, the Stock Market, and Corporate Governance	236	<b>Chapter 19:</b> GDP: Measuring Total Production and Income	602
Appendix: Tools to Analyze Firms' Financial Information	261	<b>Chapter 20:</b> Unemployment and Inflation	628
<b>Chapter 9:</b> Comparative Advantage and the Gains from International Trade	270	<b>Chapter 21:</b> Economic Growth, the Financial System, and Business Cycles	664
		<b>Chapter 22:</b> Long-Run Economic Growth: Sources and Policies	698
<b>PART 4: Microeconomic Foundations: Consumers and Firms</b>		<b>PART 8: Short-Run Fluctuations</b>	
<b>Chapter 10:</b> Consumer Choice and Behavioral Economics	304	<b>Chapter 23:</b> Aggregate Expenditure and Output in the Short Run	736
Appendix: Using Indifference Curves and Budget Lines to Understand Consumer Behavior	335	Appendix: The Algebra of Macroeconomic Equilibrium	776
<b>Chapter 11:</b> Technology, Production, and Costs	351	<b>Chapter 24:</b> Aggregate Demand and Aggregate Supply Analysis	778
		Appendix: Macroeconomic Schools of Thought	813

**PART 9: Monetary and Fiscal Policy**

<b>Chapter 25:</b> Money, Banks, and the Federal Reserve System	818
<b>Chapter 26:</b> Monetary Policy	852
<b>Chapter 27:</b> Fiscal Policy	892
<b>Appendix:</b> A Closer Look at the Multiplier	933
<b>Chapter 28:</b> Inflation, Unemployment, and Federal Reserve Policy	936

**PART 10: The International Economy**

<b>Chapter 29:</b> Macroeconomics in an Open Economy	967
<b>Chapter 30:</b> The International Financial System	994
<b>Appendix:</b> The Gold Standard and the Bretton Woods System	1016
<b>Glossary</b>	<b>1022</b>
<b>Company Index</b>	<b>1030</b>
<b>Subject Index</b>	<b>1033</b>
<b>Credits</b>	<b>1053</b>

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# DETAILED CONTENTS

Preface	1	Determining Cause and Effect	29
A Word of Thanks	32	Are Graphs of Economic Relationships Always Straight Lines?	31
		Slopes of Nonlinear Curves	31
<b>PART 1: Introduction</b>		<b>Formulas</b>	<b>31</b>
		Formula for a Percentage Change	32
		Formulas for the Areas of a Rectangle and a Triangle	33
		Summary of Using Formulas	34
<b>Chapter 1: Economics: Foundations and Models</b>	<b>2</b>	<b>Chapter 2: Trade-offs, Comparative Advantage, and the Market System</b>	<b>36</b>
<b>Is the Private Doctor's Office Going to Disappear?</b>	<b>3</b>	<b>Managers at Tesla Motors Face Trade-Offs</b>	<b>37</b>
<b>1.1 Three Key Economic Ideas</b>	<b>4</b>	<b>2.1 Production Possibilities Frontiers and Opportunity Costs</b>	<b>38</b>
People Are Rational	5	Graphing the Production Possibilities Frontier	38
People Respond to Economic Incentives	5	<b>Solved Problem 2.1:</b> Drawing a Production Possibilities Frontier for Tesla Motors	40
<b>Making the Connection:</b> Does Health Insurance Give People an Incentive to Become Obese?	5	Increasing Marginal Opportunity Costs	42
Optimal Decisions Are Made at the Margin	7	Economic Growth	43
<b>Solved Problem 1.1:</b> A Doctor Makes a Decision at the Margin	7	<b>2.2 Comparative Advantage and Trade</b>	<b>43</b>
<b>1.2 The Economic Problem That Every Society Must Solve</b>	<b>8</b>	Specialization and Gains from Trade	44
What Goods and Services Will Be Produced?	9	Absolute Advantage versus Comparative Advantage	45
How Will the Goods and Services Be Produced?	9	Comparative Advantage and the Gains from Trade	46
Who Will Receive the Goods and Services Produced?	9	<b>Don't Let This Happen to You:</b> Don't Confuse Absolute Advantage and Comparative Advantage	47
Centrally Planned Economies versus Market Economies	9	<b>Solved Problem 2.2:</b> Comparative Advantage and the Gains from Trade	47
The Modern "Mixed" Economy	10	<b>Making the Connection:</b> Comparative Advantage, Opportunity Cost, and Housework	49
Efficiency and Equity	11	<b>2.3 The Market System</b>	<b>50</b>
<b>1.3 Economic Models</b>	<b>11</b>	The Circular Flow of Income	50
The Role of Assumptions in Economic Models	12	The Gains from Free Markets	52
Forming and Testing Hypotheses in Economic Models	12	The Market Mechanism	52
Positive and Normative Analysis	13	<b>Making the Connection:</b> A Story of the Market System in Action: How Do You Make an iPad?	53
Economics as a Social Science	14	The Role of the Entrepreneur	54
<b>Don't Let This Happen to You:</b> Don't Confuse Positive Analysis with Normative Analysis	14	The Legal Basis of a Successful Market System	56
<b>Making the Connection:</b> Should Medical School Be Free?	14	<b>Making the Connection:</b> Who Owns <i>The Wizard of Oz</i> ?	57
<b>1.4 Microeconomics and Macroeconomics</b>	<b>15</b>	<b>Conclusion</b>	<b>59</b>
<b>1.5 A Preview of Important Economic Terms</b>	<b>16</b>	<b>An Inside Look:</b> What's on the Horizon at Mercedes-Benz?	60
<b>Conclusion</b>	<b>17</b>		
<b>An Inside Look:</b> Look Into Your Smartphone and Say "Ahh"	18	<b>Chapter 3: Where Prices Come From: The Interaction of Demand and Supply</b>	<b>68</b>
<b>*Chapter Summary and Problems</b>	<b>20</b>	<b>Smartphones: The Indispensable Product?</b>	<b>69</b>
Key Terms, Summary, Review Questions, Problems and Applications		<b>3.1 The Demand Side of the Market</b>	<b>70</b>
		Demand Schedules and Demand Curves	70
<b>Appendix: Using Graphs and Formulas</b>	<b>24</b>	The Law of Demand	71
<b>Graphs of One Variable</b>	<b>25</b>		
<b>Graphs of Two Variables</b>	<b>26</b>		
Slopes of Lines	26		
Taking into Account More Than Two Variables on a Graph	27		
Positive and Negative Relationships	29		

\*These end-of-chapter resource materials repeat in all chapters. Select chapters also include Real-Time Data Exercises.



What Explains the Law of Demand? 71  
 Holding Everything Else Constant: The *Ceteris paribus* Condition 72  
 Variables That Shift Market Demand 72  
**Making the Connection:** Are Tablet Computers Substitutes for E-Readers? 73  
**Making the Connection:** Coke and Pepsi Are Hit by U.S. Demographics 74  
 A Change in Demand versus a Change in Quantity Demanded 75  
**Making the Connection:** Forecasting the Demand for iPhones 77  
**3.2 The Supply Side of the Market 78**  
 Supply Schedules and Supply Curves 78  
 The Law of Supply 79  
 Variables That Shift Market Supply 80  
 A Change in Supply versus a Change in Quantity Supplied 81  
**3.3 Market Equilibrium: Putting Demand and Supply Together 82**  
 How Markets Eliminate Surpluses and Shortages Demand and Supply Both Count 83  
**Solved Problem 3.3:** Demand and Supply Both Count: A Tale of Two Letters 84  
**3.4 The Effect of Demand and Supply Shifts on Equilibrium 85**  
 The Effect of Shifts in Supply on Equilibrium 85  
**Making the Connection:** The Falling Price of Blu-ray Players 86  
 The Effect of Shifts in Demand on Equilibrium 87  
 The Effect of Shifts in Demand and Supply over Time 87  
**Solved Problem 3.4:** What Has Caused the Decline in Beef Consumption? 88  
 Shifts in a Curve versus Movements along a Curve 90  
**Don't Let This Happen to You:** Remember: A Change in a Good's Price Does *Not* Cause the Demand or Supply Curve to Shift 90  
**Conclusion 91**  
**An Inside Look:** Google and Apple Face Supply and Demand Concerns in the Smartphone Market 92

**Chapter 4: Economic Efficiency, Government Price Setting, and Taxes 100**

**The Sharing Economy, Phone Apps, and Rent Control 101**  
**4.1 Consumer Surplus and Producer Surplus 102**  
 Consumer Surplus 102  
**Making the Connection:** The Consumer Surplus from Broadband Internet Service 104  
 Producer Surplus 105  
 What Consumer Surplus and Producer Surplus Measure 106  
**4.2 The Efficiency of Competitive Markets 106**

Marginal Benefit Equals Marginal Cost in Competitive Equilibrium 107  
 Economic Surplus 107  
 Deadweight Loss 108  
 Economic Surplus and Economic Efficiency 109  
**4.3 Government Intervention in the Market: Price Floors and Price Ceilings 109**  
 Price Floors: Government Policy in Agricultural Markets 109  
**Making the Connection:** Price Floors in Labor Markets: The Debate over Minimum Wage Policy 111  
 Price Ceilings: Government Rent Control Policy in Housing Markets 112  
**Don't Let This Happen to You:** Don't Confuse "Scarcity" with "Shortage" 113  
 Black Markets and Peer-to-Peer Sites 113  
**Solved Problem 4.3:** What's the Economic Effect of a Black Market in Renting Apartments? 114  
 The Results of Government Price Controls: Winners, Losers, and Inefficiency 115  
 Positive and Normative Analysis of Price Ceilings and Price Floors 115  
**4.4 The Economic Impact of Taxes 116**  
 The Effect of Taxes on Economic Efficiency 116  
 Tax Incidence: Who Actually Pays a Tax? 117  
**Solved Problem 4.4:** When Do Consumers Pay All of a Sales Tax Increase? 118  
**Making the Connection:** Is the Burden of the Social Security Tax Really Shared Equally between Workers and Firms? 119  
**Conclusion 121**  
**An Inside Look At Policy:** Does the Sharing Economy Increase Efficiency? 122  
**Appendix: Quantitative Demand and Supply Analysis 131**  
**Demand and Supply Equations 131**  
**Calculating Consumer Surplus and Producer Surplus 132**

**PART 2: Markets in Action: Policy and Applications**

**Chapter 5: Externalities, Environmental Policy, and Public Goods 136**

**Can Economic Policy Help Protect the Environment? 137**  
**5.1 Externalities and Economic Efficiency 138**  
 The Effect of Externalities 138  
 Externalities and Market Failure 140  
 What Causes Externalities? 140  
**5.2 Private Solutions to Externalities: The Coase Theorem 141**  
 The Economically Efficient Level of Pollution Reduction 141

<b>Making the Connection:</b> The Clean Air Act: How a Government Policy Reduced Infant Mortality	142	Some Estimated Price Elasticities of Demand	179
The Basis for Private Solutions to Externalities	144	<b>Making the Connection:</b> The Price Elasticity of Demand for Breakfast Cereal	180
<b>Don't Let This Happen to You:</b> Remember That It's the <i>Net</i> Benefit That Counts	145	<b>6.3 The Relationship between Price Elasticity of Demand and Total Revenue</b>	<b>181</b>
<b>Making the Connection:</b> The Fable of the Bees	145	Elasticity and Revenue with a Linear Demand Curve	182
Do Property Rights Matter?	146	<b>Solved Problem 6.3:</b> Price and Revenue Don't Always Move in the Same Direction	183
The Problem of Transactions Costs	146	Estimating Price Elasticity of Demand	184
The Coase Theorem	147	<b>6.4 Other Demand Elasticities</b>	<b>185</b>
<b>5.3 Government Policies to Deal with Externalities</b>	<b>147</b>	Cross-Price Elasticity of Demand	185
<b>Making the Connection:</b> Should the Government Tax Cigarettes and Soda?	148	Income Elasticity of Demand	186
<b>Solved Problem 5.3:</b> Dealing with the Externalities of Car Driving	150	<b>Making the Connection:</b> Price Elasticity, Cross-Price Elasticity, and Income Elasticity in the Market for Alcoholic Beverages	186
Command-and-Control versus Market-Based Approaches	152	<b>6.5 Using Elasticity to Analyze the Disappearing Family Farm</b>	<b>187</b>
The End of the Sulfur Dioxide Cap-and-Trade System	152	<b>Solved Problem 6.5:</b> Using Price Elasticity to Analyze a Policy of Taxing Gasoline	188
Are Tradable Emission Allowances Licenses to Pollute?	153	<b>6.6 The Price Elasticity of Supply and Its Measurement</b>	<b>189</b>
<b>Making the Connection:</b> Can a Carbon Tax Reduce Global Warming?	153	Measuring the Price Elasticity of Supply	189
<b>5.4 Four Categories of Goods</b>	<b>154</b>	Determinants of the Price Elasticity of Supply	190
The Demand for a Public Good	155	<b>Making the Connection:</b> Why Are Oil Prices So Unstable?	190
The Optimal Quantity of a Public Good	156	Polar Cases of Perfectly Elastic and Perfectly Inelastic Supply	191
<b>Solved Problem 5.4:</b> Determining the Optimal Level of Public Goods	158	Using Price Elasticity of Supply to Predict Changes in Price	193
Common Resources	160	<b>Conclusion</b>	<b>194</b>
<b>Conclusion</b>	<b>161</b>	<b>Chapter 7: The Economics of Health Care</b>	<b>204</b>
<b>Chapter 6: Elasticity: The Responsiveness of Demand and Supply</b>	<b>170</b>	<b>How Much Will You Pay for Health Insurance?</b>	<b>205</b>
<b>Do People Respond to Changes in the Price of Gasoline?</b>	<b>171</b>	<b>7.1 The Improving Health of People in the United States</b>	<b>206</b>
<b>6.1 The Price Elasticity of Demand and Its Measurement</b>	<b>172</b>	Changes over Time in U.S. Health	206
Measuring the Price Elasticity of Demand	172	Reasons for Long-Run Improvements in U.S. Health	207
Elastic Demand and Inelastic Demand	173	<b>7.2 Health Care around the World</b>	<b>208</b>
An Example of Computing Price Elasticities	173	The U.S. Health Care System	208
The Midpoint Formula	174	The Health Care Systems of Canada, Japan, and the United Kingdom	210
<b>Solved Problem 6.1:</b> Calculating the Price Elasticity of Demand	175	Comparing Health Care Outcomes around the World	211
When Demand Curves Intersect, the Flatter Curve Is More Elastic	176	<b>7.3 Information Problems and Externalities in the Market for Health Care</b>	<b>213</b>
Polar Cases of Perfectly Elastic and Perfectly Inelastic Demand	176	Adverse Selection and the Market for "Lemons"	213
<b>Don't Let This Happen to You:</b> Don't Confuse Inelastic with Perfectly Inelastic	178	Asymmetric Information in the Market for Health Insurance	213
<b>6.2 The Determinants of the Price Elasticity of Demand</b>	<b>178</b>	<b>Don't Let This Happen to You:</b> Don't Confuse Adverse Selection with Moral Hazard	215
Availability of Close Substitutes	178	<b>Solved Problem 7.3:</b> If You Are Young and Healthy, Should You Buy Health Insurance?	216
Passage of Time	179	Externalities in the Market for Health Care	217
Luxuries versus Necessities	179		
Definition of the Market	179		
Share of a Good in a Consumer's Budget	179		

**Making the Connection:** Should the Government Run the Health Care System? 219

**7.4 The Debate over Health Care Policy in the United States** 220

The Rising Cost of Health Care 220

**Making the Connection:** Are U.S. Firms Handicapped by Paying for Their Employees' Health Insurance? 222

Explaining Rapid Increases in Health Care Spending 223

The Continuing Debate over Health Care Policy 225

**Making the Connection:** How Much Is That MRI Scan? 227

**Conclusion** 229

**PART 3: Firms in the Domestic and International Economies**

**Chapter 8: Firms, the Stock Market, and Corporate Governance** 236

**Facebook Learns the Benefits and Costs of Becoming a Publicly Owned Firm** 237

**8.1 Types of Firms** 238

Who Is Liable? Limited and Unlimited Liability Corporations Earn the Majority of Revenue and Profits 239

**Making the Connection:** How Important Are Small Businesses to the U.S. Economy? 240

**8.2 The Structure of Corporations and the Principal–Agent Problem** 241

Corporate Structure and Corporate Governance 241

**Solved Problem 8.2:** Should a Firm's CEO Also Be the Chairman of the Board? 242

**8.3 How Firms Raise Funds** 242

Sources of External Funds 243

**Making the Connection:** The Rating Game: Is the U.S. Treasury Likely to Default on Its Bonds? 244

Stock and Bond Markets Provide Capital—and Information 246

**Don't Let This Happen to You:** When Facebook Shares Are Sold, Facebook Doesn't Get the Money 246

Why Do Stock Prices Fluctuate So Much? 247

**Making the Connection:** Following Abercrombie & Fitch's Stock Price in the Financial Pages 248

**8.4 Using Financial Statements to Evaluate a Corporation** 249

The Income Statement 250

The Balance Sheet 251

**8.5 Corporate Governance Policy and the Financial Crisis of 2007–2009** 251

The Accounting Scandals of the Early 2000s 251

The Financial Crisis of 2007–2009 252

Did Principal–Agent Problems Help Cause the 2007–2009 Financial Crisis? 253

**Making the Connection:** The Ups and Downs of Investing in Facebook 254

**Conclusion** 255

**Appendix: Tools to Analyze Firms' Financial Information** 262

**Using Present Value to Make Investment Decisions** 262

**Solved Problem 8A.1:** How to Receive Your Contest Winnings 263

Using Present Value to Calculate Bond Prices 263

Using Present Value to Calculate Stock Prices 264

A Simple Formula for Calculating Stock Prices 265

**Going Deeper into Financial Statements** 265

Analyzing Income Statements 266

Analyzing Balance Sheets 267

**Chapter 9: Comparative Advantage and the Gains from International Trade** 270

**Saving Jobs in the U.S. Tire Industry?** 271

**9.1 The United States in the International Economy** 272

The Importance of Trade to the U.S. Economy 272

**Making the Connection:** Goodyear and the Tire Tariff 273

U.S. International Trade in a World Context 274

**9.2 Comparative Advantage in International Trade** 275

A Brief Review of Comparative Advantage 275

Comparative Advantage and Absolute Advantage 276

**9.3 How Countries Gain from International Trade** 277

Increasing Consumption through Trade 277

**Solved Problem 9.3:** The Gains from Trade 278

Why Don't We See Complete Specialization? 280

Does Anyone Lose as a Result of International Trade? 280

**Don't Let This Happen to You:** Remember That Trade Creates Both Winners and Losers 280

Where Does Comparative Advantage Come From? 281

**Making the Connection:** Leaving New York City Is Risky for Financial Firms 282

Comparative Advantage over Time: The Rise and Fall—and Rise—of the U.S. Consumer Electronics Industry 283

**9.4 Government Policies That Restrict International Trade** 283

Tariffs 285

Quotas and Voluntary Export Restraints 286

Measuring the Economic Effect of the Sugar Quota 286

**Solved Problem 9.4:** Measuring the Economic Effect of a Quota 287

The High Cost of Preserving Jobs with Tariffs and Quotas 288

**Making the Connection:** The Effect on the U.S. Economy of the Tariff on Chinese Tires 289

Gains from Unilateral Elimination of Tariffs and Quotas 290  
 Other Barriers to Trade 290  
**9.5 The Arguments over Trade Policies and Globalization 290**  
 Why Do Some People Oppose the World Trade Organization? 291  
**Making the Connection:** The Unintended Consequences of Banning Goods Made with Child Labor 292  
 Dumping 294  
 Positive versus Normative Analysis (Once Again) 294  
**Conclusion 295**

**PART 4: Microeconomic Foundations: Consumers and Firms**

**Chapter 10: Consumer Choice and Behavioral Economics 304**  
**J.C. Penney Learns That Simplifying Prices Isn't Simple 305**  
**10.1 Utility and Consumer Decision Making 306**  
 The Economic Model of Consumer Behavior in a Nutshell 306  
 Utility 306  
 The Principle of Diminishing Marginal Utility 307  
 The Rule of Equal Marginal Utility per Dollar Spent 307  
**Solved Problem 10.1:** Finding the Optimal Level of Consumption 310  
 What If the Rule of Equal Marginal Utility per Dollar Does Not Hold? 311  
**Don't Let This Happen to You:** Equalize Marginal Utilities *per Dollar* 312  
 The Income Effect and Substitution Effect of a Price Change 313  
**10.2 Where Demand Curves Come From 314**  
**Making the Connection:** Are There Any Upward-Sloping Demand Curves in the Real World? 316  
**10.3 Social Influences on Decision Making 317**  
 The Effects of Celebrity Endorsements 317  
 Network Externalities 318  
 Does Fairness Matter? 319  
**Making the Connection:** What's Up with "Fuel Surcharges"? 321  
 Behavioral Economics: Do People Make Their Choices Rationally? 323  
 Pitfalls in Decision Making 323  
**Making the Connection:** A Blogger Who Understands the Importance of Ignoring Sunk Costs 325  
 The Behavioral Economics of Shopping 326  
**Making the Connection:** J.C. Penney Meets Behavioral Economics 327  
**Conclusion 328**

**Appendix: Using Indifference Curves and Budget Lines to Understand Consumer Behavior 335**  
**Consumer Preferences 335**  
 Indifference Curves 335  
 The Slope of an Indifference Curve 336  
 Can Indifference Curves Ever Cross? 336  
**The Budget Constraint 337**  
**Choosing the Optimal Consumption of Pizza and Coke 338**  
**Making the Connection:** Dell Determines the Optimal Mix of Products 339  
 Deriving the Demand Curve 340  
**Solved Problem 10A.1:** When Does a Price Change Make a Consumer Better Off? 341  
 The Income Effect and the Substitution Effect of a Price Change 343  
 How a Change in Income Affects Optimal Consumption 344  
**The Slope of the Indifference Curve, the Slope of the Budget Line, and the Rule of Equal Marginal Utility per Dollar Spent 344**  
 The Rule of Equal Marginal Utility per Dollar Spent Revisited 345

**Chapter 11: Technology, Production, and Costs 350**  
**Fracking, Marginal Costs, and Energy Prices 351**  
**11.1 Technology: An Economic Definition 352**  
**Making the Connection:** Improving Inventory Control at Wal-Mart 352  
**11.2 The Short Run and the Long Run in Economics 353**  
 The Difference between Fixed Costs and Variable Costs 353  
**Making the Connection:** Fixed Costs in the Publishing Industry 354  
 Implicit Costs Versus Explicit Costs 354  
 The Production Function 355  
 A First Look at the Relationship between Production and Cost 356  
**11.3 The Marginal Product of Labor and the Average Product of Labor 357**  
 The Law of Diminishing Returns 357  
 Graphing Production 358  
**Making the Connection:** Adam Smith's Famous Account of the Division of Labor in a Pin Factory 359  
 The Relationship between Marginal Product and Average Product 359  
 An Example of Marginal and Average Values: College Grades 360  
**11.4 The Relationship between Short-Run Production and Short-Run Cost 361**  
 Marginal Cost 361  
 Why Are the Marginal and Average Cost Curves U Shaped? 361



<b>Solved Problem 11.4:</b> Calculating Marginal Cost and Average Cost	363	<b>12.2 How a Firm Maximizes Profit in a Perfectly Competitive Market</b>	<b>395</b>
<b>11.5 Graphing Cost Curves</b>	<b>364</b>	Revenue for a Firm in a Perfectly Competitive Market	395
<b>11.6 Costs in the Long Run</b>	<b>366</b>	Determining the Profit-Maximizing Level of Output	396
Economies of Scale	366	<b>12.3 Illustrating Profit or Loss on the Cost Curve Graph</b>	<b>398</b>
Long-Run Average Cost Curves for Automobile Factories	367	Showing a Profit on the Graph	399
<b>Solved Problem 11.6:</b> Using Long-Run Average Cost Curves to Understand Business Strategy	367	<b>Solved Problem 12.3:</b> Determining Profit-Maximizing Price and Quantity	399
<b>Making the Connection:</b> The Colossal River Rouge: Diseconomies of Scale at Ford Motor Company	369	<b>Don't Let This Happen to You:</b> Remember That Firms Maximize Their Total Profit, Not Their Profit per Unit	401
<b>Don't Let This Happen to You:</b> Don't Confuse Diminishing Returns with Diseconomies of Scale	370	Illustrating When a Firm Is Breaking Even or Operating at a Loss	402
<b>Conclusion</b>	<b>371</b>	<b>Making the Connection:</b> Losing Money in the Solar Panel Industry	402
 		<b>12.4 Deciding Whether to Produce or to Shut Down in the Short Run</b>	<b>403</b>
<b>Appendix: Using Isoquants and Isocost Lines to Understand Production and Cost</b>	<b>379</b>	<b>Solved Problem 12.4:</b> When to Pull the Plug on a Movie	404
<b>Isoquants</b>	<b>379</b>	The Supply Curve of a Firm in the Short Run	405
An Isoquant Graph	379	The Market Supply Curve in a Perfectly Competitive Industry	406
The Slope of an Isoquant	380	<b>12.5 "If Everyone Can Do It, You Can't Make Money at It": The Entry and Exit of Firms in the Long Run</b>	<b>407</b>
<b>Isocost Lines</b>	<b>380</b>	Economic Profit and the Entry or Exit Decision	407
Graphing the Isocost Line	380	Long-Run Equilibrium in a Perfectly Competitive Market	409
The Slope and Position of the Isocost Line	381	The Long-Run Supply Curve in a Perfectly Competitive Market	409
<b>Choosing the Cost-Minimizing Combination of Capital and Labor</b>	<b>381</b>	<b>Making the Connection:</b> In the Apple iPhone Apps Store, Easy Entry Makes the Long Run Pretty Short	412
Different Input Price Ratios Lead to Different Input Choices	382	Increasing-Cost and Decreasing-Cost Industries	412
<b>Making the Connection:</b> The Changing Input Mix in Walt Disney Film Animation	383	<b>12.6 Perfect Competition and Efficiency</b>	<b>413</b>
Another Look at Cost Minimization	384	Productive Efficiency	413
<b>Solved Problem 11A.1:</b> Determining the Optimal Combination of Inputs	385	<b>Solved Problem 12.6:</b> How Productive Efficiency Benefits Consumers	413
<b>Making the Connection:</b> Do National Football League Teams Behave Efficiently?	386	Allocative Efficiency	415
<b>The Expansion Path</b>	<b>387</b>	<b>Conclusion</b>	<b>415</b>
<b>PART 5: Market Structure and Firm Strategy</b>		<b>Chapter 13: Monopolistic Competition: The Competitive Model in a More Realistic Setting</b>	<b>424</b>
<hr/>		<b>Starbucks: The Limits to Growth through Product Differentiation</b>	<b>425</b>
<b>Chapter 12: Firms in Perfectly Competitive Markets</b>	<b>390</b>	<b>13.1 Demand and Marginal Revenue for a Firm in a Monopolistically Competitive Market</b>	<b>426</b>
<b>Perfect Competition in Farmers' Markets</b>	<b>391</b>	The Demand Curve for a Monopolistically Competitive Firm	426
<b>12.1 Perfectly Competitive Markets</b>	<b>393</b>	Marginal Revenue for a Firm with a Downward-Sloping Demand Curve	426
A Perfectly Competitive Firm Cannot Affect the Market Price	393		
The Demand Curve for the Output of a Perfectly Competitive Firm	394		
<b>Don't Let This Happen to You:</b> Don't Confuse the Demand Curve for Farmer Parker's Wheat with the Market Demand Curve for Wheat	394		

<b>13.2 How a Monopolistically Competitive Firm Maximizes Profit in the Short Run</b>	<b>428</b>	<b>14.3 Sequential Games and Business Strategy</b>	<b>463</b>
<b>Solved Problem 13.2:</b> Does Minimizing Cost Maximize Profit at Apple?	430	Deterring Entry	463
<b>13.3 What Happens to Profits in the Long Run?</b>	<b>431</b>	<b>Solved Problem 14.3:</b> Is Deterring Entry Always a Good Idea?	464
How Does the Entry of New Firms Affect the Profits of Existing Firms?	431	Bargaining	465
<b>Don't Let This Happen to You:</b> Don't Confuse Zero Economic Profit with Zero Accounting Profit	432	<b>14.4 The Five Competitive Forces Model</b>	<b>467</b>
<b>Making the Connection:</b> The Rise and Decline and Rise of Starbucks	434	Competition from Existing Firms	467
Is Zero Economic Profit Inevitable in the Long Run?	434	The Threat from Potential Entrants	467
<b>Solved Problem 13.3:</b> Can It Be Profitable to Be the High-Price Seller?	435	Competition from Substitute Goods or Services	467
<b>13.4 Comparing Monopolistic Competition and Perfect Competition</b>	<b>436</b>	The Bargaining Power of Buyers	468
Excess Capacity under Monopolistic Competition	436	The Bargaining Power of Suppliers	468
Is Monopolistic Competition Inefficient?	436	<b>Making the Connection:</b> Can We Predict Which Firms Will Continue to Be Successful?	468
How Consumers Benefit from Monopolistic Competition	437	<b>Conclusion</b>	<b>469</b>
<b>Making the Connection:</b> Peter Thiel, e-Cigarettes, and the Monopoly in Monopolistic Competition	438	<b>Chapter 15: Monopoly and Antitrust Policy</b>	<b>476</b>
<b>13.5 How Marketing Differentiates Products</b>	<b>438</b>	<b>A Monopoly on Lobster Dinners in Maine?</b>	<b>477</b>
Brand Management	439	<b>15.1 Is Any Firm Ever Really a Monopoly?</b>	<b>478</b>
Advertising	439	<b>Making the Connection:</b> Is Google a Monopoly?	478
Defending a Brand Name	439	<b>15.2 Where Do Monopolies Come From?</b>	<b>479</b>
<b>13.6 What Makes a Firm Successful?</b>	<b>440</b>	Government Action Blocks Entry	480
<b>Making the Connection:</b> Is Being the First Firm in the Market a Key to Success?	440	<b>Making the Connection:</b> Does Hasbro Have a Monopoly on Monopoly?	480
<b>Conclusion</b>	<b>441</b>	Control of a Key Resource	482
<b>Chapter 14: Oligopoly: Firms in Less Competitive Markets</b>	<b>450</b>	<b>Making the Connection:</b> Are Diamond Profits Forever? The De Beers Diamond Monopoly	482
<b>Competition in the Video Game Console Market</b>	<b>450</b>	Network Externalities	483
<b>14.1 Oligopoly and Barriers to Entry</b>	<b>452</b>	Natural Monopoly	483
Barriers to Entry	453	<b>Solved Problem 15.2:</b> Can a Seafood Restaurant Be a Natural Monopoly?	484
<b>14.2 Using Game Theory to Analyze Oligopoly</b>	<b>455</b>	<b>15.3 How Does a Monopoly Choose Price and Output?</b>	<b>486</b>
A Duopoly Game: Price Competition between Two Firms	455	Marginal Revenue Once Again	486
Firm Behavior and the Prisoner's Dilemma	456	Profit Maximization for a Monopolist	486
<b>Don't Let This Happen to You:</b> Don't Misunderstand Why Each Firm Ends Up Charging a Price of \$399	457	<b>Solved Problem 15.3:</b> Finding the Profit-Maximizing Price and Output for a Cable Monopoly	488
<b>Solved Problem 14.2:</b> Is Same-Day Delivery a Prisoner's Dilemma for Wal-Mart and Amazon?	457	<b>Don't Let This Happen to You:</b> Don't Assume That Charging a Higher Price Is Always More Profitable for a Monopolist	489
<b>Making the Connection:</b> Is There a Dominant Strategy for Bidding on eBay?	458	<b>15.4 Does Monopoly Reduce Economic Efficiency?</b>	<b>490</b>
Can Firms Escape the Prisoner's Dilemma?	459	Comparing Monopoly and Perfect Competition	490
<b>Making the Connection:</b> With Price Collusion, More Is Not Merrier	460	Measuring the Efficiency Losses from Monopoly	490
Cartels: The Case of OPEC	461	How Large Are the Efficiency Losses Due to Monopoly?	492
		Market Power and Technological Change	492
		<b>15.5 Government Policy toward Monopoly</b>	<b>493</b>
		Antitrust Laws and Antitrust Enforcement	493
		<b>Making the Connection:</b> Did Apple Violate the Law in Pricing e-Books?	494
		Mergers: The Trade-off between Market Power and Efficiency	495
		The Department of Justice and FTC Merger Guidelines	496
		Regulating Natural Monopolies	498
		<b>Conclusion</b>	<b>499</b>



<b>Chapter 16: Pricing Strategy</b>	<b>506</b>	<b>17.3 Equilibrium in the Labor Market</b>	<b>540</b>
<b>Getting into Walt Disney World: One Price Does Not Fit All</b>	<b>507</b>	The Effect on Equilibrium Wages of a Shift in Labor Demand	541
<b>16.1 Pricing Strategy, the Law of One Price, and Arbitrage</b>	<b>508</b>	<b>Making the Connection:</b> Will Your Future Income Depend on Which Courses You Take in College?	542
Arbitrage	508	The Effect on Equilibrium Wages of a Shift in Labor Supply	543
<b>Solved Problem 16.1:</b> Is Arbitrage Just a Rip-Off? Why Don't All Firms Charge the Same Price?	509	<b>Making the Connection:</b> Veterinarians Fall Victim to Demand and Supply	544
Why Don't All Firms Charge the Same Price?	509	<b>17.4 Explaining Differences in Wages</b>	<b>544</b>
<b>16.2 Price Discrimination: Charging Different Prices for the Same Product</b>	<b>510</b>	<b>Don't Let This Happen to You:</b> Remember That Prices and Wages Are Determined at the Margin	546
<b>Don't Let This Happen to You:</b> Don't Confuse Price Discrimination with Other Types of Discrimination	510	<b>Making the Connection:</b> Technology and the Earnings of "Superstars"	546
The Requirements for Successful Price Discrimination	511	Compensating Differentials	547
<b>Solved Problem 16.2:</b> How Apple Uses Price Discrimination to Increase Profits	512	Discrimination	548
Airlines: The Kings of Price Discrimination	513	<b>Solved Problem 17.4:</b> Is Passing "Comparable Worth" Legislation a Good Way to Close the Gap between Men's and Women's Pay?	549
<b>Making the Connection:</b> How Colleges Use Yield Management	515	<b>Making the Connection:</b> Does Greg Have an Easier Time Finding a Job Than Jamal?	550
Perfect Price Discrimination	515	Labor Unions	553
Price Discrimination across Time	517	<b>17.5 Personnel Economics</b>	<b>554</b>
Can Price Discrimination Be Illegal?	517	Should Workers' Pay Depend on How Much They Work or on How Much They Produce?	554
<b>Making the Connection:</b> The Internet Leaves You Open to Price Discrimination	518	<b>Making the Connection:</b> Raising Pay, Productivity, and Profits at Safelite AutoGlass	555
<b>16.3 Other Pricing Strategies</b>	<b>519</b>	Other Considerations in Setting Compensation Systems	556
Odd Pricing: Why Is the Price \$2.99 Instead of \$3.00?	519	<b>17.6 The Markets for Capital and Natural Resources</b>	<b>556</b>
Why Do McDonald's and other Firms Use Cost-Plus Pricing?	520	The Market for Capital	556
<b>Making the Connection:</b> Cost-Plus Pricing in the Publishing Industry	521	The Market for Natural Resources	557
Why Do Some Firms Use Two-Part Tariffs?	522	Monopsony	558
<b>Conclusion</b>	<b>525</b>	The Marginal Productivity Theory of Income Distribution	559
 		<b>Conclusion</b>	<b>559</b>
<b>PART 6: Labor Markets, Public Choice, and the Distribution of Income</b>		 	
 		<b>Chapter 18: Public Choice, Taxes, and the Distribution of Income</b>	<b>568</b>
<b>Chapter 17: The Markets for Labor and Other Factors of Production</b>	<b>532</b>	<b>Should the Government Use the Tax System to Reduce Inequality?</b>	<b>569</b>
<b>Who Is Zach Greinke and Why Is He Being Paid \$147 Million?</b>	<b>533</b>	<b>18.1 Public Choice</b>	<b>570</b>
<b>17.1 The Demand for Labor</b>	<b>534</b>	How Do We Know the Public Interest? Models of Voting	570
The Marginal Revenue Product of Labor	534	Government Failure?	572
<b>Solved Problem 17.1:</b> Hiring Decisions by a Firm That Is a Price Maker	536	Is Government Regulation Necessary?	574
The Market Demand Curve for Labor	537	<b>18.2 The Tax System</b>	<b>574</b>
Factors That Shift the Market Demand Curve for Labor	537	An Overview of the U.S. Tax System	575
<b>17.2 The Supply of Labor</b>	<b>538</b>	Progressive and Regressive Taxes	576
The Market Supply Curve of Labor	539	<b>Making the Connection:</b> Which Groups Pay the Most in Federal Taxes?	577
Factors That Shift the Market Supply Curve of Labor	540	Marginal and Average Income Tax Rates	577

The Corporate Income Tax	578	<b>Making the Connection:</b> Why Do Many Developing Countries Have Such Large Underground Economies?	613
International Comparison of Corporate Income Taxes	578	Shortcomings of GDP as a Measure of Well-Being	613
Evaluating Taxes	579	<b>Making the Connection:</b> Did World War II Bring Prosperity?	614
<b>18.3 Tax Incidence Revisited: The Effect of Price Elasticity</b>	<b>581</b>	<b>19.3 Real GDP versus Nominal GDP</b>	<b>615</b>
<b>Don't Let This Happen to You:</b> Don't Confuse Who Pays a Tax with Who Bears the Burden of the Tax	581	Calculating Real GDP	616
<b>Making the Connection:</b> Do Corporations Really Bear the Burden of the Federal Corporate Income Tax?	582	<b>Solved Problem 19.3:</b> Calculating Real GDP	616
<b>Solved Problem 18.3:</b> The Effect of Price Elasticity on the Excess Burden of a Tax	583	Comparing Real GDP and Nominal GDP	617
<b>18.4 Income Distribution and Poverty</b>	<b>584</b>	The GDP Deflator	618
Measuring the Income Distribution and Poverty	584	<b>19.4 Other Measures of Total Production and Total Income</b>	<b>619</b>
Explaining Income Inequality	585	Gross National Product	619
<b>Making the Connection:</b> What Explains the 1 Percent?	588	National Income	619
Showing the Income Distribution with a Lorenz Curve	589	Personal Income	619
Problems in Measuring Poverty and the Distribution of Income	590	Disposable Personal Income	620
<b>Solved Problem 18.4:</b> Are Many People in the United States Stuck in Poverty?	592	The Division of Income	620
Income Distribution and Poverty around the World	593	<b>Conclusion</b>	<b>621</b>
<b>Conclusion</b>	<b>594</b>	<b>Chapter 20: Unemployment and Inflation</b>	<b>628</b>
 		<b>Caterpillar Announces Plans to Lay Off Workers</b>	<b>629</b>
<b>PART 7: Macroeconomic Foundations and Long-Run Growth</b>		<b>20.1 Measuring the Unemployment Rate, the Labor Force Participation Rate, and the Employment–Population Ratio</b>	<b>630</b>
<hr/>		The Household Survey	630
<b>Chapter 19: GDP: Measuring Total Production and Income</b>		<b>Solved Problem 20.1:</b> What Happens if the BLS Includes the Military?	632
	<b>602</b>	Problems with Measuring the Unemployment Rate	633
<b>Ford Motor Company Rides the Business Cycle</b>	<b>603</b>	Trends in Labor Force Participation	634
<b>19.1 Gross Domestic Product Measures Total Production</b>	<b>605</b>	Unemployment Rates for Different Groups	635
Measuring Total Production: Gross Domestic Product	605	How Long Are People Typically Unemployed?	635
<b>Solved Problem 19.1:</b> Calculating GDP	606	<b>Making the Connection:</b> How Unusual Was the Unemployment Situation Following the 2007–2009 Recession?	636
Production, Income, and the Circular-Flow Diagram	606	The Establishment Survey: Another Measure of Employment	637
Components of GDP	608	Revisions in the Establishment Survey	
<b>Don't Let This Happen to You:</b> Remember What Economists Mean by <i>Investment</i>	609	Employment Data: How Bad Was the 2007–2009 Recession?	638
An Equation for GDP and Some Actual Values	609	Job Creation and Job Destruction over Time	639
<b>Making the Connection:</b> Adding More of Lady Gaga to GDP	610	<b>20.2 Types of Unemployment</b>	<b>639</b>
Measuring GDP Using the Value-Added Method	611	Frictional Unemployment and Job Search	640
<b>19.2 Does GDP Measure What We Want It to Measure?</b>	<b>612</b>	Structural Unemployment	640
Shortcomings in GDP as a Measure of Total Production	612	Cyclical Unemployment	641
		Full Employment	641
		<b>Making the Connection:</b> How Should We Categorize Unemployment at Caterpillar?	641
		<b>20.3 Explaining Unemployment</b>	<b>642</b>
		Government Policies and the Unemployment Rate	642
		Labor Unions	644
		Efficiency Wages	644
		<b>20.4 Measuring Inflation</b>	<b>644</b>
		The Consumer Price Index	645

Is the CPI Accurate?	646	<b>Chapter 22: Long-Run Economic Growth: Sources and Policies</b>	<b>698</b>
<b>Don't Let This Happen to You:</b> Don't Miscalculate the Inflation Rate	647	<b>Can China Save General Motors?</b>	<b>699</b>
The Producer Price Index	648	<b>22.1 Economic Growth over Time and around the World</b>	<b>700</b>
<b>20.5 Using Price Indexes to Adjust for the Effects of Inflation</b>	<b>648</b>	Economic Growth from 1,000,000 B.C. to the Present	700
<b>Solved Problem 20.5:</b> Calculating Real Wages at Caterpillar	649	<b>Making the Connection:</b> Why Did the Industrial Revolution Begin in England?	701
<b>20.6 Nominal Interest Rates versus Real Interest Rates</b>	<b>650</b>	Small Differences in Growth Rates Are Important	701
<b>20.7 Does Inflation Impose Costs on the Economy?</b>	<b>651</b>	Why Do Growth Rates Matter?	702
Inflation Affects the Distribution of Income	652	<b>Don't Let This Happen to You:</b> Don't Confuse the Average Annual Percentage Change with the Total Percentage Change	703
The Problem with Anticipated Inflation	652	"The Rich Get Richer and ..."	703
The Problem with Unanticipated Inflation	653	<b>Making the Connection:</b> Is Income All That Matters?	704
<b>Making the Connection:</b> What's So Bad about Falling Prices?	653	<b>22.2 What Determines How Fast Economies Grow?</b>	<b>705</b>
<b>Conclusion</b>	<b>655</b>	The Per-Worker Production Function	705
<b>Chapter 21: Economic Growth, the Financial System, and Business Cycles</b>	<b>664</b>	Which Is More Important for Economic Growth: More Capital or Technological Change?	707
<b>Economic Growth and the Business Cycle at Whirlpool</b>	<b>665</b>	Technological Change: The Key to Sustaining Economic Growth	707
<b>21.1 Long-Run Economic Growth</b>	<b>666</b>	<b>Making the Connection:</b> What Explains the Economic Failure of the Soviet Union?	708
<b>Making the Connection:</b> The Connection between Economic Prosperity and Health	668	<b>Solved Problem 22.2:</b> Using the Economic Growth Model to Analyze the Failure of the Soviet Economy	709
Calculating Growth Rates and the Rule of 70	669	New Growth Theory	709
What Determines the Rate of Long-Run Growth?	670	Joseph Schumpeter and Creative Destruction	711
<b>Solved Problem 21.1:</b> Explaining Economic Growth in Singapore	671	<b>22.3 Economic Growth in the United States</b>	<b>711</b>
<b>Making the Connection:</b> Can India Sustain Its Rapid Growth?	672	Economic Growth in the United States since 1950	712
Potential GDP	673	What Caused the Productivity Slowdown of 1974–1995?	712
<b>21.2 Saving, Investment, and the Financial System</b>	<b>674</b>	Is the United States Headed for Another Productivity Slowdown?	713
An Overview of the Financial System	674	<b>22.4 Why Isn't the Whole World Rich?</b>	<b>714</b>
The Macroeconomics of Saving and Investment	676	Catch-Up: Sometimes but Not Always	715
The Market for Loanable Funds	677	<b>Solved Problem 22.4:</b> The Economic Growth Model's Prediction of Catch-Up	717
<b>Making the Connection:</b> Ebenezer Scrooge: Accidental Promoter of Economic Growth?	678	Why Haven't Most Western European Countries, Canada, and Japan Caught Up to the United States?	718
<b>Solved Problem 21.2:</b> How Would a Consumption Tax Affect Saving, Investment, the Interest Rate, and Economic Growth?	681	Why Don't More Low-Income Countries Experience Rapid Growth?	719
<b>21.3 The Business Cycle</b>	<b>682</b>	<b>Making the Connection:</b> What Do Parking Tickets in New York City Tell Us about Poverty in the Developing World?	720
Some Basic Business Cycle Definitions	682	The Benefits of Globalization	722
How Do We Know When the Economy Is in a Recession?	683	<b>22.5 Growth Policies</b>	<b>723</b>
<b>Making the Connection:</b> Can a Recession Be a Good Time for a Business to Expand?	684	Enhancing Property Rights and the Rule of Law	723
What Happens during the Business Cycle?	685	<b>Making the Connection:</b> Will China's Standard of Living Ever Exceed That of the United States?	723
<b>Don't Let This Happen to You:</b> Don't Confuse the Price Level and the Inflation Rate	688	Improving Health and Education	725
Will the U.S. Economy Return to Stability?	690		
<b>Conclusion</b>	<b>691</b>		

Policies That Promote Technological Change	725
Policies That Promote Saving and Investment	725
Is Economic Growth Good or Bad?	726
<b>Conclusion</b>	<b>727</b>

## PART 8: Short-Run Fluctuations

---

<b>Chapter 23: Aggregate Expenditure and Output in the Short Run</b>	<b>736</b>
<b>Fluctuating Demand Helps—and Hurts—Intel and Other Firms</b>	<b>737</b>
<b>23.1 The Aggregate Expenditure Model</b>	<b>738</b>
Aggregate Expenditure	738
The Difference between Planned Investment and Actual Investment	739
Macroeconomic Equilibrium	739
Adjustments to Macroeconomic Equilibrium	740
<b>23.2 Determining the Level of Aggregate Expenditure in the Economy</b>	<b>741</b>
Consumption	741
The Relationship between Consumption and National Income	744
Income, Consumption, and Saving	746
<b>Solved Problem 23.2:</b> Calculating the Marginal Propensity to Consume and the Marginal Propensity to Save	747
Planned Investment	748
<b>Making the Connection:</b> Intel Moves into Tablets and Perceptual Computing	749
Government Purchases	750
Net Exports	751
<b>Making the Connection:</b> The iPhone Is Made in China ... or Is It?	753
<b>23.3 Graphing Macroeconomic Equilibrium</b>	<b>753</b>
Showing a Recession on the 45°-Line Diagram	756
The Important Role of Inventories	757
A Numerical Example of Macroeconomic Equilibrium	758
<b>Don't Let This Happen to You:</b> Don't Confuse Aggregate Expenditure with Consumption Spending	759
<b>Solved Problem 23.3:</b> Determining Macroeconomic Equilibrium	759
<b>23.4 The Multiplier Effect</b>	<b>760</b>
<b>Making the Connection:</b> The Multiplier in Reverse: The Great Depression of the 1930s	763
A Formula for the Multiplier	764
Summarizing the Multiplier Effect	765
<b>Solved Problem 23.4:</b> Using the Multiplier Formula	766
The Paradox of Thrift	767
<b>23.5 The Aggregate Demand Curve</b>	<b>767</b>
<b>Conclusion</b>	<b>769</b>

<b>Appendix: The Algebra of Macroeconomic Equilibrium</b>	<b>776</b>
<b>Chapter 24: Aggregate Demand and Aggregate Supply Analysis</b>	<b>778</b>
<b>The Fortunes of FedEx Follow the Business Cycle</b>	<b>779</b>
<b>24.1 Aggregate Demand</b>	<b>780</b>
Why Is the Aggregate Demand Curve Downward Sloping?	781
Shifts of the Aggregate Demand Curve versus Movements along It	782
The Variables That Shift the Aggregate Demand Curve	782
<b>Don't Let This Happen to You:</b> Understand Why the Aggregate Demand Curve Is Downward Sloping	783
<b>Solved Problem 24.1:</b> Movements along the Aggregate Demand Curve versus Shifts of the Aggregate Demand Curve	783
<b>Making the Connection:</b> Which Components of Aggregate Demand Changed the Most during the 2007–2009 Recession?	786
<b>24.2 Aggregate Supply</b>	<b>787</b>
The Long-Run Aggregate Supply Curve	787
The Short-Run Aggregate Supply Curve	788
<b>Making the Connection:</b> How Sticky Are Wages?	789
Shifts of the Short-Run Aggregate Supply Curve versus Movements along It	791
Variables That Shift the Short-Run Aggregate Supply Curve	791
<b>24.3 Macroeconomic Equilibrium in the Long Run and the Short Run</b>	<b>792</b>
Recessions, Expansions, and Supply Shocks	794
<b>Making the Connection:</b> Does It Matter What Causes a Decline in Aggregate Demand?	795
<b>Making the Connection:</b> How Long Does It Take to Return to Potential GDP? Economic Forecasts Following the Recession of 2007–2009	798
<b>24.4 A Dynamic Aggregate Demand and Aggregate Supply Model</b>	<b>800</b>
What Is the Usual Cause of Inflation?	801
The Recession of 2007–2009	801
<b>Solved Problem 24.4:</b> Showing the Oil Shock of 1974–1975 on a Dynamic Aggregate Demand and Aggregate Supply Graph	804
<b>Conclusion</b>	<b>805</b>
<b>Appendix: Macroeconomic Schools of Thought</b>	<b>813</b>
<b>The Monetarist Model</b>	<b>813</b>
<b>The New Classical Model</b>	<b>814</b>
<b>The Real Business Cycle Model</b>	<b>814</b>
<b>The Austrian Model</b>	<b>814</b>
<b>Making the Connection:</b> Karl Marx: Capitalism's Severest Critic	815



**PART 9: Monetary and Fiscal Policy****Chapter 25: Money, Banks, and the Federal Reserve System 818****Washing Dollar Bills to Save the Economy of Zimbabwe 819****25.1 What Is Money, and Why Do We Need It? 820**

Barter and the Invention of Money 820

The Functions of Money 821

What Can Serve as Money? 822

**Making the Connection:** Apple Didn't Want My Cash! 823**25.2 How Is Money Measured in the United States Today? 823**

M1: A Narrow Definition of the Money Supply 824

M2: A Broad Definition of Money 825

**Don't Let This Happen to You:** Don't Confuse Money with Income or Wealth 825**Solved Problem 25.2:** The Definitions of M1 and M2 826

What about Credit Cards and Debit Cards? 826

**Making the Connection:** Are Bitcoins Money? 826**25.3 How Do Banks Create Money? 827**

Bank Balance Sheets 828

Using T-Accounts to Show How a Bank Can Create Money 828

The Simple Deposit Multiplier 831

**Don't Let This Happen to You:** Don't Confuse Assets and Liabilities 832**Solved Problem 25.3:** Showing How Banks Create Money 832

The Simple Deposit Multiplier versus the Real-World Deposit Multiplier 834

**25.4 The Federal Reserve System 835**

The Establishment of the Federal Reserve System 835

How the Federal Reserve Manages the Money Supply 837

The "Shadow Banking System" and the Financial Crisis of 2007–2009 839

**25.5 The Quantity Theory of Money 841**

Connecting Money and Prices: The Quantity Equation 841

The Quantity Theory Explanation of Inflation 842

How Accurate Are Forecasts of Inflation Based on the Quantity Theory? 842

High Rates of Inflation 843

**Making the Connection:** The German Hyperinflation of the Early 1920s 844**Conclusion 845****Chapter 26: Monetary Policy 852****Why Do Businesses Care What the Federal Reserve Does? 853****26.1 What Is Monetary Policy? 854**

The Goals of Monetary Policy 854

**26.2 The Money Market and the Fed's Choice of Monetary Policy Targets 856**

Monetary Policy Targets 856

The Demand for Money 856

Shifts in the Money Demand Curve 857

How the Fed Manages the Money Supply: A Quick Review 857

Equilibrium in the Money Market 858

A Tale of Two Interest Rates 859

Choosing a Monetary Policy Target 860

The Importance of the Federal Funds Rate 860

**26.3 Monetary Policy and Economic Activity 861**

How Interest Rates Affect Aggregate Demand 862

The Effects of Monetary Policy on Real GDP and the Price Level 862

**Making the Connection:** Too Low for Zero: The Fed Tries "Quantitative Easing" and "Operation Twist" 864

Can the Fed Eliminate Recessions? 865

Fed Forecasts 866

**Making the Connection:** Trying to Hit a Moving Target: Making Policy with "Real-Time Data" 867

A Summary of How Monetary Policy Works 868

**Don't Let This Happen to You:** Remember That with Monetary Policy, It's the Interest Rates—Not the Money—That Counts 869**26.4 Monetary Policy in the Dynamic Aggregate Demand and Aggregate Supply Model\* 869**

The Effects of Monetary Policy on Real GDP and the Price Level: A More Complete Account 869

Using Monetary Policy to Fight Inflation 871

**Solved Problem 26.4:** The Effects of Monetary Policy 872**26.5 A Closer Look at the Fed's Setting of Monetary Policy Targets 873**

Should the Fed Target the Money Supply? 873

Why Doesn't the Fed Target Both the Money Supply and the Interest Rate? 874

The Taylor Rule 875

Inflation Targeting 876

**Making the Connection:** How Does the Fed Measure Inflation? 876**26.6 Fed Policies during the 2007–2009 Recession 878**

The Inflation and Deflation of the Housing Market Bubble 878

The Changing Mortgage Market 880

The Role of Investment Banks 880

**Making the Connection:** The Wonderful World of Leverage 881

The Fed and the Treasury Department Respond 882

**Conclusion 883****Chapter 27: Fiscal Policy 892****Does Government Spending Create Jobs? 893****27.1 What Is Fiscal Policy? 894**

What Fiscal Policy Is and What It Isn't	894	<b>The Effects of Changes in Tax Rates on the Multiplier</b>	<b>932</b>
Automatic Stabilizers versus Discretionary Fiscal Policy	894	<b>The Multiplier in an Open Economy</b>	<b>933</b>
An Overview of Government Spending and Taxes	895	<b>Chapter 28: Inflation, Unemployment, and Federal Reserve Policy</b>	<b>936</b>
<b>Making the Connection:</b> Is Spending on Social Security and Medicare a Fiscal Time Bomb?	897	<b>Why Does Parker Hannifin Worry about Monetary Policy?</b>	<b>937</b>
<b>27.2 The Effects of Fiscal Policy on Real GDP and the Price Level</b>	<b>898</b>	<b>28.1 The Discovery of the Short-Run Trade-off between Unemployment and Inflation</b>	<b>938</b>
Expansionary and Contractionary Fiscal Policy	899	Explaining the Phillips Curve with Aggregate Demand and Aggregate Supply Curves	939
<b>Don't Let This Happen to You:</b> Don't Confuse Fiscal Policy and Monetary Policy	900	Is the Phillips Curve a Policy Menu?	940
A Summary of How Fiscal Policy Affects Aggregate Demand	900	Is the Short-Run Phillips Curve Stable?	940
<b>27.3 Fiscal Policy in the Dynamic Aggregate Demand and Aggregate Supply Model</b>	<b>901</b>	The Long-Run Phillips Curve	940
<b>27.4 The Government Purchases and Tax Multipliers</b>	<b>902</b>	The Role of Expectations of Future Inflation	941
The Effect of Changes in the Tax Rate	905	<b>Making the Connection:</b> Do Workers Understand Inflation?	942
Taking into Account the Effects of Aggregate Supply	905	<b>28.2 The Short-Run and Long-Run Phillips Curves</b>	<b>943</b>
The Multipliers Work in Both Directions	906	Shifts in the Short-Run Phillips Curve	944
<b>Solved Problem 27.4:</b> Fiscal Policy Multipliers	906	How Does a Vertical Long-Run Phillips Curve Affect Monetary Policy?	944
<b>27.5 The Limits of Using Fiscal Policy to Stabilize the Economy</b>	<b>907</b>	<b>Making the Connection:</b> Does the Natural Rate of Unemployment Ever Change?	946
Does Government Spending Reduce Private Spending?	908	<b>Solved Problem 28.2:</b> Changing Views of the Phillips Curve	947
Crowding Out in the Short Run	908	<b>28.3 Expectations of the Inflation Rate and Monetary Policy</b>	<b>947</b>
Crowding Out in the Long Run	909	The Effect of Rational Expectations on Monetary Policy	948
Fiscal Policy in Action: Did the Stimulus Package of 2009 Succeed?	910	Is the Short-Run Phillips Curve Really Vertical?	949
<b>Making the Connection:</b> Why Was the Recession of 2007–2009 So Severe?	913	Real Business Cycle Models	950
<b>27.6 Deficits, Surpluses, and Federal Government Debt</b>	<b>914</b>	<b>28.4 Federal Reserve Policy from the 1970s to the Present</b>	<b>950</b>
How the Federal Budget Can Serve as an Automatic Stabilizer	916	The Effect of a Supply Shock on the Phillips Curve	950
<b>Making the Connection:</b> Did Fiscal Policy Fail during the Great Depression?	917	Paul Volcker and Disinflation	951
<b>Solved Problem 27.6:</b> The Effect of Economic Fluctuations on the Budget Deficit	918	<b>Don't Let This Happen to You:</b> Don't Confuse Disinflation with Deflation	953
Should the Federal Budget Always Be Balanced?	918	<b>Solved Problem 28.4:</b> Using Monetary Policy to Lower the Inflation Rate	953
The Federal Government Debt	919	Alan Greenspan, Ben Bernanke, and the Crisis in Monetary Policy	955
Is Government Debt a Problem?	920	<b>Making the Connection:</b> The Debate over Quantitative Easing	957
<b>27.7 The Effects of Fiscal Policy in the Long Run</b>	<b>920</b>	Has the Fed Lost Its Independence?	958
The Long-Run Effects of Tax Policy	920	<b>Conclusion</b>	<b>959</b>
Tax Simplification	921		
The Economic Effect of Tax Reform	921		
How Large Are Supply-Side Effects?	922		
<b>Conclusion</b>	<b>923</b>		
<b>Appendix: A Closer Look at the Multiplier</b>	<b>930</b>		
An Expression for Equilibrium Real GDP	930		
A Formula for the Government Purchases Multiplier	931		
A Formula for the Tax Multiplier	932		
The "Balanced Budget" Multiplier	932		
		<b>PART 10: The International Economy</b>	
		<b>Chapter 29: Macroeconomics in an Open Economy</b>	<b>966</b>
		<b>A Strong Dollar Hurts McDonald's Profits</b>	<b>967</b>
		<b>29.1 The Balance of Payments: Linking the United States to the International Economy</b>	<b>968</b>
		The Current Account	968



The Financial Account	969	Fiscal Policy in an Open Economy	986
The Capital Account	970	<b>Conclusion</b>	<b>987</b>
Why Is the Balance of Payments Always Zero?	971	<b>Chapter 30: The International Financial System</b>	<b>994</b>
<b>Don't Let This Happen to You:</b> Don't Confuse the Balance of Trade, the Current Account Balance, and the Balance of Payments	971	<b>Volkswagen Deals with Fluctuating Exchange Rates</b>	<b>995</b>
<b>Solved Problem 29.1:</b> Understanding the Arithmetic of the Balance of Payments	972	<b>30.1 Exchange Rate Systems</b>	<b>996</b>
<b>29.2 The Foreign Exchange Market and Exchange Rates</b>	<b>973</b>	<b>Don't Let This Happen to You:</b> Remember That Modern Currencies Are Fiat Money	997
<b>Making the Connection:</b> Exchange Rate Listings	973	<b>30.2 The Current Exchange Rate System</b>	<b>997</b>
Equilibrium in the Market for Foreign Exchange	974	The Floating Dollar	997
How Do Shifts in Demand and Supply Affect the Exchange Rate?	975	What Determines Exchange Rates in the Long Run?	998
Some Exchange Rates Are Not Determined by the Market	977	<b>Making the Connection:</b> The Big Mac Theory of Exchange Rates	999
How Movements in the Exchange Rate Affect Exports and Imports	977	<b>Solved Problem 30.2:</b> Calculating Purchasing Power Parity Exchange Rates Using Big Macs	1000
<b>Making the Connection:</b> Japanese Firms Ride the Yen Roller Coaster	977	The Euro	1001
<b>Don't Let This Happen to You:</b> Don't Confuse What Happens When a Currency Appreciates with What Happens When It Depreciates	979	<b>Making the Connection:</b> Can the Euro Survive? Pegging against the Dollar	1003
<b>Solved Problem 29.2:</b> Why Did Honda Move Some Production to the United States?	979	<b>Making the Connection:</b> Why Did Iceland Recover So Quickly from the Financial Crisis?	1008
The Real Exchange Rate	980	<b>International Capital Markets</b>	<b>1009</b>
<b>29.3 The International Sector and National Saving and Investment</b>	<b>980</b>	<b>Conclusion</b>	<b>1011</b>
Net Exports Equal Net Foreign Investment	981	<b>Appendix: The Gold Standard and the Bretton Woods System</b>	<b>1016</b>
Domestic Saving, Domestic Investment, and Net Foreign Investment	981	The Gold Standard	1016
<b>Solved Problem 29.3:</b> Arriving at the Saving and Investment Equation	982	The End of the Gold Standard	1016
<b>29.4 The Effect of a Government Budget Deficit on Investment</b>	<b>983</b>	The Bretton Woods System	1017
<b>Making the Connection:</b> Why Is the United States Called the "World's Largest Debtor"?	984	The Collapse of the Bretton Woods System	1018
<b>29.5 Monetary Policy and Fiscal Policy in an Open Economy</b>	<b>986</b>	<b>Glossary</b>	<b>1022</b>
Monetary Policy in an Open Economy	986	<b>Company Index</b>	<b>1030</b>
		<b>Subject Index</b>	<b>1033</b>
		<b>Credits</b>	<b>1053</b>

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# FLEXIBILITY CHART

The following chart helps you organize your syllabus based on your teaching preferences and objectives:

Core	Optional	Policy
<b>Chapter 1:</b> Economics: Foundations and Models	<b>Chapter 1 Appendix:</b> Using Graphs and Formulas	
<b>Chapter 2:</b> Trade-offs, Comparative Advantage, and the Market System		
<b>Chapter 3:</b> Where Prices Come From: The Interaction of Demand and Supply		
	<b>Chapter 4 Appendix:</b> Quantitative Demand and Supply Analysis	<b>Chapter 4:</b> Economic Efficiency, Government Price Setting, and Taxes
		<b>Chapter 5:</b> Externalities, Environmental Policy, and Public Goods
<b>Chapter 6:</b> Elasticity: The Responsiveness of Demand and Supply		
		<b>Chapter 7:</b> The Economics of Health Care
	<b>Chapter 8:</b> Firms, the Stock Market, and Corporate Governance	
	<b>Chapter 8 Appendix:</b> Tools to Analyze Firms' Financial Information	
<b>Chapter 9:</b> Comparative Advantage and the Gains from International Trade		
	<b>Chapter 10:</b> Consumer Choice and Behavioral Economics	
	<b>Chapter 10 Appendix:</b> Using Indifference Curves and Budget Lines to Understand Consumer Behavior	
<b>Chapter 11:</b> Technology, Production, and Costs	<b>Chapter 11 Appendix:</b> Using Isoquants and Isocost Lines to Understand Production and Cost	
<b>Chapter 12:</b> Firms in Perfectly Competitive Markets		
<b>Chapter 13:</b> Monopolistic Competition: The Competitive Model in a More Realistic Setting		
<b>Chapter 14:</b> Oligopoly: Firms in Less Competitive Markets		
<b>Chapter 15:</b> Monopoly and Antitrust Policy		
	<b>Chapter 16:</b> Pricing Strategy	

Core	Optional	Policy
<b>Chapter 17:</b> The Markets for Labor and Other Factors of Production		
		<b>Chapter 18:</b> Public Choice, Taxes, and the Distribution of Income
<b>Chapter 19:</b> GDP: Measuring Total Production and Income		
<b>Chapter 20:</b> Unemployment and Inflation		
<b>Chapter 21:</b> Economic Growth, the Financial System, and Business Cycles		
<b>Chapter 22:</b> Long-Run Economic Growth: Sources and Policies		
	<b>Chapter 23:</b> Aggregate Expenditure and Output in the Short Run	
	<b>Chapter 23 Appendix:</b> The Algebra of Macroeconomic Equilibrium	
<b>Chapter 24:</b> Aggregate Demand and Aggregate Supply Analysis		
	<b>Chapter 24 Appendix:</b> Macroeconomic Schools of Thought	
<b>Chapter 25:</b> Money, Banks, and the Federal Reserve System		
		<b>Chapter 26:</b> Monetary Policy
	<b>Chapter 27 Appendix:</b> A Closer Look at the Multiplier	<b>Chapter 27:</b> Fiscal Policy
		<b>Chapter 28:</b> Inflation, Unemployment, and Federal Reserve Policy
	<b>Chapter 29:</b> Macroeconomics in an Open Economy	
	<b>Chapter 30:</b> The International Financial System	
	<b>Chapter 30 Appendix:</b> The Gold Standard and the Bretton Woods System	