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Administration Classics

经济学原理

Principles of

(英文版·第9版)

Economics

(Ninth Edition)

卡尔·E·凯斯 (Karl E. Case)

雷·C·费尔 (Ray C. Fair) 著

莎伦·M·奥斯特 (Sharon M. Oster)

中国人民大学出版社



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· 北京 ·

图书在版编目 (CIP) 数据

经济学原理：(英文版·第9版)/凯斯，费尔，奥斯特著.
北京：中国人民大学出版社，2010
教育部高校工商管理类教学指导委员会双语教学推荐教材.
工商管理经典教材·核心课系列
ISBN 978-7-300-12321-9

I. 经…
II. ①凯…②费…③奥…
III. 经济学-双语教学-高等学校-教材-英文
IV. F0

中国版本图书馆 CIP 数据核字 (2010) 第 115722 号

Authorized adaptation from the English language edition, entitled Principles of Economics, 9th Edition, 9780137141456 (Original ISBN 9780136055488) by Karl E. Case, Ray C. Fair, Sharon M. Oster, published by Pearson Education, Inc, publishing as Prentice Hall, Copyright © 2009, 2007, 2004, 2003, 2002 by Pearson Education, Inc.

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ENGLISH language adaptation edition is manufactured in the People's Republic of China, and is authorized for sale only in People's Republic of China excluding Taiwan, Hong Kong and Macau.

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仅限于中华人民共和国境内 (不包括中国香港、澳门特别行政区和中国台湾地区) 销售发行。

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经济学原理 (英文版·第9版)
卡尔·E·凯斯 雷·C·费尔 莎伦·M·奥斯特 著

出版发行	中国人民大学出版社		
社 址	北京中关村大街 31 号	邮政编码	100080
电 话	010-62511242 (总编室)		010-62511398 (质管部)
	010-82501766 (邮购部)		010-62514148 (门市部)
	010-62515195 (发行公司)		010-62515275 (盗版举报)
网 址	http://www.crup.com.cn http://www.ttrnet.com (人大教研网)		
经 销	新华书店		
印 刷	北京联兴盛业印刷股份有限公司		
规 格	215mm×275mm 16 开本	版 次	2010 年 7 月第 1 版
印 张	34.75 插页 1	印 次	2010 年 7 月第 1 次印刷
字 数	1 077 000	定 价	59.00 元

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双语教学在我国主要指汉语和国际通用的英语教学。事实上,双语教学在我国教育界已经不是一个陌生的词汇了,以双语教学为主的科研课题也已列入国家“十五”规划的重点课题。但从另一方面来看,双语教学从其诞生的那天起就被包围在人们的赞成与反对声中。如今,依然是有人赞成有人反对,但不论是赞成居多还是反对占上,双语教学的规模 and 影响都在原有的基础上不断扩大,且呈大发展之势。一些率先进行双语教学的院校在实践中积累了经验,不断加以改进;一些待进入者也在模仿中学习,并静待时机成熟时加入这一行列。由于我国长期缺乏讲第二语言(包括英语)的环境,开展双语教学面临特殊的困难,因此,选用合适的教材就成为双语教学成功与否的一个重要问题。我们认为,双语教学从一开始就应该使用原版的各类学科的教材,而不是由本土教师自编的教材,从而可以避免中国式英语问题,保证语言的原汁原味。各院校除应执行国家颁布的教学大纲和课程标准外,还应根据双语教学的特点和需要,适当调整教学课时的设置,合理选择优秀的、合适的双语教材。

● 保持英文原版教材的特色。本套双语教材根据国内教学实际需要,对原书进行了一定的改编,主要是删减了一些不适合教学以及不符合我国国情的内容,但在体系结构和内容特色方面都保持了原版教材的风貌。专家们的认真改编和审定,使本套教材既保持了学术上的完整性,又贴近中国实际;既方便教师教学,又方便学生理解和掌握。

● 突出管理类专业教材的实用性。本套教材既强调学术的基础性,又兼顾应用的广泛性;既侧重让学生掌握基本的理论知识、专业术语和专业表达方式,又考虑到教材和管理实践的紧密结合,有助于学生形成专业的思维能力,培养实际的管理技能。

● 体系经过精心组织。本套教材在体系架构上充分考虑到当前我国在本科教育阶段推广双语教学的进度安排，首先针对那些课程内容国际化程度较高的学科进行双语教材开发，在其专业模块内精心选择各专业教材。这种安排既有利于我国教师摸索双语教学的经验，使得双语教学贴近现实教学的需要；也有利于我们收集关于双语教学教材的建议，更好地推出后续的双语教材及教辅材料。

● 篇幅合理，价格相对较低。为适应国内双语教学内容和课时上的实际需要，本套教材进行了一定的删减和改编，使总体篇幅更为合理；而采取低定价，则充分考虑到了学生实际的购买能力，从而使本套教材得以真正走近广大读者。

● 提供强大的教学支持。依托国际大出版公司的力量，本套教材为教师提供了配套的教辅材料，如教师手册、PowerPoint 讲义、试题库等，并配有内容极为丰富的网络资源，从而使教学更为便利。

本套教材是在双语教学教材出版方面的一种尝试。我们在选书、改编及出版的过程中得到了国内许多高校的专家、教师的支持和指导，在此深表谢意。同时，为使我们后续推出的教材更适于教学，我们也真诚地期待广大读者提出宝贵的意见和建议。需要说明的是，尽管我们在改编的过程中已加以注意，但由于各教材的作者所处的政治、经济和文化背景不同，书中内容仍可能有不妥之处，望读者在阅读时注意比较和甄别。

徐二明
中国人民大学商学院

Preface

Our goal in the ninth edition, as it was in the first edition, is to instill in students a fascination with both the functioning of the economy and the power and breadth of economics. The first line of every edition of our book has been “The study of economics should begin with a sense of wonder.” We hope that readers will come away from our book with a basic understanding of how market economies function, an appreciation for the things they do well, and a sense of the things they do poorly. We hope too that readers will learn that the proper role of government in a market economy is the subject of great debate around the world. That debate serves as the organizing principle behind this book.

For an economics text to be effective, it must address the economic issues of the time. Since the publication of our eighth edition, the economic landscape has changed substantially.

From 2003 through the end of 2007, the U.S. economy added over 8 million payroll jobs to the labor market, bringing the total to over 138 million. From a high of 6.3 percent in 2003, the unemployment rate dropped steadily to 4.4 percent by mid-2007.

The beginning of 2008 brought worries that the United States was in recession. During the first two quarters, the number of payroll jobs fell by nearly half a million and the unemployment rate jumped back up to 5.5 percent. The biggest issue facing the economy was a sharp downturn in the housing market and the resulting partial collapse of the mortgage market.

The housing downturn first hit the economy through a sharp downturn in the demand for housing and a 55 percent drop in new home construction. Prices of homes also fell nationwide for the first time in over 30 years. Falling home prices led to a decline in household wealth and a dramatic increase in mortgage defaults and foreclosures. This was made worse by the significant increase in lending to less creditworthy borrowers in what is called the subprime market.

The collapse of the usually stable mortgage market sent shock waves through the financial system worldwide. Banks, investment houses, and other financial service companies, as well as private investors lost hundreds of billions of dollars as many investors lost faith in the credit markets. To make matters worse, oil prices rose to over \$147 per barrel, squeezing corporate profits, causing more layoffs, and pushing gasoline prices up.

The government reacted in several ways. Congress and the president announced a fiscal stimulus package including rebates to taxpayers of over \$120 billion. The Federal Reserve dropped interest rates for the seventh consecutive time in early 2008 and took unprecedented action, directly participating in the rescue of Bear Stearns, the fifth-largest U.S. investment bank, from bankruptcy. In July, the Treasury and Federal Reserve jointly announced a plan to prevent the collapse of Fannie Mae and Freddie Mac, publicly held companies originally set up by the government to channel money into the mortgage market. Fannie and Freddie together held over \$5 trillion in mortgages, about half of all the mortgages in the United States. This precipitated a national debate on the role of the Federal Reserve, which will not be easily resolved.

Internationally, the rise in oil prices was accompanied by a decline in the value of the dollar, making U.S. imports more expensive. Given this fact and a sharp increase in food and commodity prices, the possibility of serious inflation in the United States increased. The word *stagflation* came back in vogue.

On the positive side, the cheaper dollar led to a dramatic increase in U.S. net exports. Nonresidential construction continued to boom, and consumption remained surprisingly strong despite a huge drop in consumer confidence and the loss in housing wealth. While many were convinced that a recession was under way by the second quarter of 2008, others claimed that it was not yet in the numbers. All of this will influence the election of a new president in November 2008.

To understand these events requires a working knowledge of at least the basic “vocabulary” of economics.

Tools for Learning

As authors and teachers, we understand the challenges of the principles of economics course. Our pedagogical features are designed to illustrate and reinforce key economic concepts through real-world examples and applications.

Economics in Practice

As described earlier, the *Economics in Practice* feature presents a real-world personal observation, current research work, or a news article that supports the key concept of the chapter and helps students think critically about how economics is a part of their daily lives. The end-of-chapter problem sets include a question specific to each *Economics in Practice* feature. Students can visit www.myeconlab.com for additional updated news articles and related exercises.

Graphs

Reading and interpreting graphs is a key part of understanding economic concepts.

Problems and Solutions

Each chapter with a problem set that asks students to think about and apply what they've learned in the chapter. These problems are not simple memorization questions. Rather, they ask students to perform graphical analysis or to apply economics to a real-world situation or policy decision. More challenging problems are indicated by an asterisk. Additional questions specific to the *Economics in Practice* feature have been added. Several problems have been updated. The solutions to all of the problems are available in the Instructor's Manuals. Instructors can provide the solutions to their students so they can check their understanding and progress.

Resources for the Instructor

The following supplements are designed to make teaching and testing flexible and easy.

Instructor's Manuals

Two *Instructor's Manuals*, one for *Principles of Microeconomics* and one for *Principles of Macroeconomics*, were prepared by Tony Lima of California State University, Hayward. The *Instructor's Manuals* are designed to provide the utmost teaching support for instructors. They include the following content:

- Detailed *Chapter Outlines* include key terminology, teaching notes, and lecture suggestions.
- *Topics for Class Discussion* provide topics and real-world situations that help ensure that economic concepts resonate with students.
- Unique *Economics in Practice* features that are not in the main text provide extra real-world examples to present and discuss in class.
- *Teaching Tips* provide tips for alternative ways to cover the material and brief reminders on additional help to provide students. These tips include suggestions for exercises and experiments to complete in class.
- *Extended Applications* include exercises, activities, and experiments to help make economics relevant to students.
- *Solutions* are provided for all problems in the book.

Six Test Item Files

We have tailored the Test Item Files to help instructors easily and efficiently assess student understanding of economic concepts and analyses. Test questions are annotated with the following information:

- **Difficulty:** 1 for straight recall, 2 for some analysis, 3 for complex analysis
- **Type:** multiple-choice, true/false, short-answer, essay
- **Topic:** the term or concept the question supports
- **Skill:** fact, definition, analytical, conceptual
- **AACSB** (see description that follows)
- **Special feature in the main book:** *Economics in Practice*

The Test Item Files include questions with tables that students must analyze to solve for numerical answers. The Test Item Files also contain questions based on the graphs that appear in the book. The questions ask students to interpret the information presented in the graph. Many questions require students to sketch a graph on their own and interpret curve movements.

Microeconomics Test Item File 1, by Tisha Emerson of Baylor University: Test Item File 1 (TIF1) includes over 2,200 questions. All questions are machine-gradable and are either multiple-choice or true-false. This Test Item File is for use with the ninth edition of *Principles of Microeconomics* in the first year of publication. TIF1 is available in a computerized format using TestGen EQ test-generating software.

Microeconomics Test Item File 2, by Tisha Emerson of Baylor University: This additional Test Item File contains another 2,200 machine-gradable questions based on the TIF1 but regenerated to provide instructors with fresh questions when using the book the second year. This Test Item File is available in a computerized format using TestGen EQ test-generating software.

Microeconomics Test Item File 3, by Richard Gosselin of Houston Community College: This third Test Item File includes 1,000 conceptual problems, essay questions, and short-answer questions. Application-type problems ask students to draw graphs and analyze tables. The Word files are available on the Instructor's Resource Center. (www.prenhall.com/casefair)

Macroeconomics Test Item File 1, by Randy Methenitis of Richland College: Test Item File 1 (TIF1) includes over 2,200 questions. All questions are machine-gradable and are either multiple-choice or true-false. This Test Item File is for use with the ninth edition of *Principles of Macroeconomics* in the first year of publication. This Test Item File is available in a computerized format using TestGen EQ test-generating software.

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PowerPoint® Lecture Presentations

Three sets of PowerPoint® slides, three for *Principles of Microeconomics* and three for *Principles of Macroeconomics*, prepared by Fernando and Yvonn Quijano, are available:

1. A comprehensive set of PowerPoint® slides that can be used by instructors for class presentations or by students for lecture preview or review. The presentation includes all the graphs, tables, and equations in the textbook. Two versions are available—the first is in step-by-step mode so that you can build graphs as you would on a blackboard, and in an automated mode, using a single click per slide.
2. A comprehensive set of PowerPoint® slides with Classroom Response Systems (CRS) questions built in so that instructors can incorporate CRS “clickers” into their classroom lectures. For more information on Prentice Hall's partnership with CRS, see the description below. Instructors may download these PowerPoint presentations from the Instructor's Resource Center (www.prenhall.com/casefair).
3. A student version of the PowerPoints is available as .pdf files from the book's companion website at www.prenhall.com/case. This version allows students to print the slides and bring them to class for note taking.

Instructor's Resource CD-ROM

The Instructor's Resource CD-ROM contains all the faculty and student resources that support this text. Instructors have the ability to access and edit the following three supplements:

- Instructor's Manuals
- Test Item Files
- PowerPoint® presentations

By clicking on a chapter or searching for a key word, faculty can access an interactive library of resources. Faculty can pick and choose from the various supplements and export them to their hard drives.

Resources for the Student

The following supplements are designed to help students understand and retain the key concepts of each chapter.

Study Guides

Two *Study Guides*, one for *Principles of Microeconomics* and one for *Principles of Macroeconomics*, were prepared by Thomas M. Beveridge of Durham Technical Community College. They provide students with additional applications and exercises.

Each chapter of the *Study Guides* contains the following elements:

- **Point-by-Point Chapter Objectives** A list of learning goals for the chapter. Each objective is followed up with a summary of the material, learning tips for each concept, and practice questions with solutions.
- **Economics in Practice Questions** A question that requires students to apply concepts of the chapter to the *Economics in Practice* feature. The answer accompanies the question.
- **Practice Tests** Approximately 20 multiple-choice questions and answers and application questions that require students to use graphic or numerical analysis to solve economic problems.
- **Solutions** Worked-out solutions to all questions in the *Study Guide*
- **Comprehensive Part Exams** Multiple-choice and application questions to test students' overall comprehension. Solutions to all questions are also provided.

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The Scope and Method of Economics

The study of economics should begin with a sense of wonder. Pause for a moment and consider a typical day in your life. It might start with a bagel made in a local bakery with flour produced in Minnesota from wheat grown in Kansas and bacon from pigs raised in Ohio packaged in plastic made in New Jersey. You spill coffee from Colombia on your shirt made in Texas from textiles shipped from South Carolina.

After class you drive with a friend on an interstate highway that is part of a system that took

20 years and billions of dollars to build. You stop for gasoline refined in Louisiana from Saudi Arabian crude oil brought to the United States on a supertanker that took 3 years to build at a shipyard in Maine.

Later you log onto the Web with a laptop computer assembled in Indonesia from parts made in China and send an e-mail to your brother in Mexico City, and you call a buddy on a cell phone made by a company in Finland. Your call is picked up by a microwave dish hidden in a church steeple rented from the church by a cellular company that was just bought by a European conglomerate.

You use or consume tens of thousands of things, both tangible and intangible, every day: buildings, rock music, iPods, telephone services, staples, paper, toothpaste, tweezers, pizza, soap, digital watches, fire protection, banks, electricity, eggs, insurance, football fields, computers, buses, rugs, subways, health services, sidewalks, and so forth. Somebody made all these things. Somebody organized men and women and materials to produce and distribute them. Thousands of decisions went into their completion. Somehow they got to you.

In the United States, over 146 million people—almost half the total population—work at hundreds of thousands of different jobs producing over \$14 trillion worth of goods and services every year. Some cannot find work; some choose not to work. Some are rich; others are poor.

The United States imports over \$257 billion worth of automobiles and parts and about \$229 billion worth of petroleum and petroleum products each year; it exports around \$62 billion worth of agricultural products, including food. High-rise office buildings go up in central cities. Condominiums and homes are built in the suburbs. In other places, homes are abandoned and boarded up.

Some countries are wealthy. Others are impoverished. Some are growing. Some are not. Some businesses are doing well. Others are going bankrupt.

At any moment in time, every society faces constraints imposed by nature and by previous generations. Some societies are handsomely endowed by nature with fertile land, water, sunshine, and natural resources. Others have deserts and few mineral resources. Some societies receive much from previous generations—art, music, technical knowledge, beautiful buildings, and productive factories. Others are left with overgrazed, eroded land, cities leveled by war, or polluted natural environments. *All societies face limits.*



CHAPTER OUTLINE

Why Study Economics?

- To Learn a Way of Thinking
- To Understand Society
- To Understand Global Affairs
- To Be an Informed Citizen

The Scope of Economics

- Microeconomics and Macroeconomics
- The Diverse Fields of Economics

The Method of Economics

- Descriptive Economics and Economic Theory
- Theories and Models
- Economic Policy

An Invitation

economics The study of how individuals and societies choose to use the scarce resources that nature and previous generations have provided.

Economics is the study of how individuals and societies choose to use the scarce resources that nature and previous generations have provided. The key word in this definition is *choose*. Economics is a behavioral, or social, science. In large measure, it is the study of how people make choices. The choices that people make, when added up, translate into societal choices.

The purpose of this chapter and the next is to elaborate on this definition and to introduce the subject matter of economics. What is produced? How is it produced? Who gets it? Why? Is the result good or bad? Can it be improved?

Why Study Economics?

There are four main reasons to study economics: to learn a way of thinking, to understand society, to understand global affairs, and to be an informed citizen.

To Learn a Way of Thinking

Probably the most important reason for studying economics is to learn a way of thinking. Economics has three fundamental concepts that, once absorbed, can change the way you look at everyday choices: opportunity cost, marginalism, and the working of efficient markets.

Opportunity Cost What happens in an economy is the outcome of thousands of individual decisions. People must decide how to divide their incomes among all the goods and services available in the marketplace. They must decide whether to work, whether to go to school, and how much to save. Businesses must decide what to produce, how much to produce, how much to charge, and where to locate. It is not surprising that economic analysis focuses on the process of decision making.

Nearly all decisions involve trade-offs. A key concept that recurs in analyzing the decision-making process is the notion of *opportunity cost*. The full “cost” of making a specific choice includes what we give up by not making the alternative choice. The best alternative that we forgo, or give up, when we make a choice or a decision is called the **opportunity cost** of that decision.

opportunity cost The best alternative that we forgo, or give up, when we make a choice or a decision.

When asked how much a movie costs, most people cite the ticket price. For an economist, this is only part of the answer: to see a movie takes not only a ticket but also time. The opportunity cost of going to a movie is the value of the other things you could have done with the same money and time. If you decide to take time off from work, the opportunity cost of your leisure is the pay that you would have earned had you worked. Part of the cost of a college education is the income you could have earned by working full-time instead of going to school. If a firm purchases a new piece of equipment for \$3,000, it does so because it expects that equipment to generate more profit. There is an opportunity cost, however, because that \$3,000 could have been deposited in an interest-earning account. To a society, the opportunity cost of using resources to launch astronauts on a space shuttle is the value of the private/civilian or other government goods that could have been produced with the same resources.

scarce Limited.

Opportunity costs arise because resources are scarce. **Scarce** simply means limited. Consider one of our most important resources—time. There are only 24 hours in a day, and we must live our lives under this constraint. A farmer in rural Brazil must decide whether it is better to continue to farm or to go to the city and look for a job. A hockey player at the University of Vermont must decide whether to play on the varsity team or spend more time studying.

marginalism The process of analyzing the additional or incremental costs or benefits arising from a choice or decision.

Marginalism A second key concept used in analyzing choices is the notion of **marginalism**. In weighing the costs and benefits of a decision, it is important to weigh only the costs and benefits that arise from the decision. Suppose, for example, that you live in New Orleans and that you are weighing the costs and benefits of visiting your mother in Iowa. If business required that you travel to Kansas City, the cost of visiting Mom would be only the additional, or *marginal*, time and money cost of getting to Iowa from Kansas City.