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Economics

Principles, Problems, and Policies

Campbell R. McConnell

*Professor of Economics, Emeritus
University of Nebraska*

Stanley L. Brue

*Professor of Economics
Pacific Lutheran University*



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ECONOMICS: PRINCIPLES, PROBLEMS, AND POLICIES

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ABOUT THE AUTHORS

Campbell R. McConnell earned his Ph.D. from the University of Iowa after receiving degrees from Cornell College and the University of Illinois. He taught at the University of Nebraska–Lincoln from 1953 until his retirement in 1990. He is also co-author of *Contemporary Labor Economics*, 6th ed. (McGraw-Hill/Irwin) and has edited readers for the principles and labor economics courses. He is a recipient of both the University of Nebraska Distinguished Teaching Award and the James A. Lake Academic Freedom Award and is past president of the Midwest Economics Association. Professor McConnell was awarded an honorary Doctor of Laws degree from Cornell College in 1973 and received its Distinguished Achievement Award in 1994. His primary areas of interest are labor economics and economic education. He has an extensive collection of jazz recordings and enjoys reading jazz history.

Stanley L. Brue did his undergraduate work at Augustana College (SD) and received its Distinguished Achievement Award in 1991. He received his Ph.D. from the University of Nebraska–Lincoln. He is a professor at Pacific Lutheran University, where he has been honored as a recipient of the Burlington Northern Faculty Achievement Award. Professor Brue has also received the national Leavey Award for excellence in economic education. He has served as national president and chair of the Board of Trustees of Omicron Delta Epsilon International Economics Honorary. He is co-author of *Economic Scenes*, 5th edition (Prentice-Hall) and *Contemporary Labor Economics*, 6th edition (McGraw-Hill/Irwin) and author of *The Evolution of Economic Thought*, 6th edition (Harcourt). For relaxation, he enjoys international travel, attending sporting events, and skiing with family and friends.

Welcome to the fifteenth edition of *Economics* (and its companion editions of *Macroeconomics* and *Microeconomics*), the nation's best-selling economics textbook. More than 12 million students worldwide have now used this book. It has been adapted into Canadian, Australian, Italian, and Russian editions, and translated into Chinese, French, Spanish, and other languages. It continues to be the leading principles book in Russia and several other Russian-speaking countries.

The New Economy, budget surpluses, Fed interest rate cuts, WTO issues, emerging technologies, the Microsoft antitrust case, the advent of the euro—what an interesting time to teach and learn economics! Clearly, those who understand economic principles will have a distinct advantage in making sense of the economy and successfully participating in it.

■ Fundamental Objectives

We have three main goals for *Economics*:

- To help the beginning economics student comprehend the principles essential for understanding the basic economizing problem, specific economic issues, and the policy alternatives.
- To help the student understand and apply the economic perspective and to reason accurately and objectively about economic matters.
- To promote a lasting student interest in economics and the economy.




■ What's New and Improved?

We thoroughly revised, polished, and updated this edition. The comments and suggestions of more than 100 reviewers and survey correspondents provided encouragement, motivated many improvements, and sparked innovation.

In-Text Web Buttons

We have enhanced the book substantially by linking it directly to newly created pedagogical features found at our website www.mhhe.com/economics/mcconnell15. Three types of icons appear throughout the book, indicating that additional content on a subject can be found online. The Web materials greatly enrich course content for those who wish to

use it, but their design and careful placement in the text also allow instructors to ignore the information if they so choose. Therefore the book remains adaptable to many teaching styles and types of courses. Button types include:

- The  symbol directs students to **Analogies, Anecdotes, and Insights** at our website. These 50 short pieces, written by Stan Brue, help students understand and remember the economic ideas by connecting them to other, better-known ideas or easy-to-remember stories and examples.
- The  symbol directs students to **Origins of the Idea**. These brief histories were written by Randy Grant of Linfield College and examine the origins of 70 major ideas identified in the book. Students will find it interesting to learn about the economist who first developed such ideas as opportunity costs, equilibrium price, the multiplier, comparative advantage, and elasticity.
- The  symbol directs students to **Interactive Graphs**. Developed under the supervision of Norris Peterson of Pacific Lutheran University, this interactive feature depicts major graphs and instructs students to shift the curves, observe the outcomes, and derive relevant generalizations.

Streamlined Presentations

A major revision goal was to streamline presentations where possible without compromising the thoroughness of our explanations. Our efforts resulted not only in a shorter book, but in more efficient organization and greater clarity. An example is Chapter 4, The Market System, which is both shorter and better organized than before. You will find similar kinds of improvements throughout the fifteenth edition. Where needed, of course, the “extra sentence of explanation” remains a distinguishing characteristic of *Economics*. Brevity at the expense of clarity is false economy.

Revised Macro

Chapter 8 (Introduction to Economic Growth and Instability) now discusses economic growth, as well as unemployment and inflation. We have simplified the presentations in Chapters 9 and 10 by focusing

the graphical analysis on the aggregate expenditures–real output model rather than on both it and the leakage–injection model. This allowed us to eliminate the most difficult graphs in Chapter 10. Instead, we now develop the equilibrium condition $C + I_g + X_n + G = \text{GDP}$ graphically and then simply use our tables to demonstrate that two subsidiary equilibrium conditions are met: leakages = injections and unintended changes in inventories are zero.

Part 4 is now labeled “Long-Run Perspectives and Macroeconomic Debates.” The chapters are revised and reorganized to reflect the new title and emphasis. Chapter 16 extends the analysis of aggregate supply to the long run. Chapter 17 looks at economic growth and has a complete discussion of the New Economy thesis. Chapter 18 discusses public debt and recent budget surpluses, and Chapter 19 examines disputes over macro theory and policy.

Improved Micro

We have made a number of micro discussions less daunting and more interesting by changing abstract, axiomatic examples (such as X and Y) to concrete examples familiar to students. Also, in keeping with our goal of streamlining discussions, we have consolidated and deleted selected content that was either peripheral to the discussion or was covered in further detail in later chapters.

Instructors rarely assign all five micro application chapters (regulation and antitrust; agriculture, income inequality and poverty, labor market issues; and health care economics), but they appreciate the option to select two or three. We gave these chapters particular attention, revising and updating throughout. For example, Chapter 32 on regulation and antitrust is consolidated and now ends with a new Last Word on the Microsoft case. Chapter 33 on agriculture reflects the recent decline in the prices of some farm products and the renewed debate over the Freedom to Farm Act. The discussion of income inequality in Chapter 34 is reorganized for greater clarity and smoother flow. Chapter 36 on health care reflects the latest data and most current issues.

New Last Words

About one-fourth of the Last Words are new and others have been revised and updated. The new topics are: the remarkable organizational ability of markets (Chapter 4); the sources of the data used to construct the GDP accounts (Chapter 7); Say’s Law,

the Great Depression, and Keynes (Chapter 9); the diminished impact of oil prices (Chapter 16); some pleasant side-effects of the New Economy (Chapter 17); debt reduction and the U.S. trade deficit (Chapter 18); the Taylor monetary rule (Chapter 19); an unusual impact of rent controls (Chapter 20); the economics of criminal behavior (Chapter 21); the positive externalities of antitheft auto tracking devices (Chapter 30); U.S. wealth and its distribution; (Chapter 34); and the struggle for control of capital in Russia (Internet chapter).

Bonus Internet-Only Chapter

A special Internet chapter “Economies in Transition: Russia and China” is available for free use at our website. The chapter contains all the features of regular chapters, is readable in Adobe Acrobat format, and can be printed if desired. This chapter is fully supported by all the ancillaries to the book.

Internet Math Notes

Although most principles-course students have only modest math skills, a few have taken advanced mathematics courses in high school or college. For the latter group, seeing the algebra or calculus behind the economics is highly revealing and useful. Therefore we placed a set of 50 math notes on our website. Written by Professor Norris Peterson of Pacific Lutheran University, these notes are keyed to the book topics and found under the title “Do You Want to See the Math?” They are creative, concise, and undoubtedly will enhance the educational experience of math-minded students.

Other New Topics and Revised Discussions

Along with the changes just discussed, there are many other revisions. Here are some examples.

- **Part 1. Chapter 1:** Changed terminology from *material wants* to *economic wants*; revised discussion of economic methodology, focusing on the scientific method. **Chapter 2:** Reorganized section on applications of the production possibilities model; greatly consolidated section on economic systems. **Chapter 3:** Several new examples including increased demand for coffee drinks, soy-enhanced hamburger as an inferior good, increased supply of Internet service provision. **Chapter 4:** New chapter title and in-

roduction; revised section on competition to generalize beyond pure competition; consolidation of the Five Fundamental Questions to Four, with discussion explicitly organized around each; shorter chapter. *Chapter 5*: New chapter title; new terminology: “horizontally organized firms,” “vertically integrated firms,” and “conglomerates”; new Figure 5.7 on government spending. *Chapter 6*: New Figure 6.1 showing the types of international flows (trade flows, resource flows, information and technology flows, and money flows); new discussion of the euro; expanded discussion of the WTO.

- **Part 2.** *Chapter 7*: Shorter introduction; improved explanation of inventory changes as investment; revised discussion of government purchases to reflect the consumption and gross investment portions as now accounted for in GDP. *Chapter 8*: Revised Global Perspective 8.1 to show comparable growth rates since 1992, rather than since 1950; reorganized discussion of the unemployment section; Table 8.3 now includes unemployment rates for Hispanics; new Figure 8.4 shows inflation rates over the years rather than tracing out the CPI; revised discussion of redistribution and output effects of inflation. *Chapter 9*: Moved the section on the historical background of the aggregate expenditures model to a new Last Word (Say’s Law, the Great Depression, and Keynes); simplified terminology and discussion of the role of inventory changes in achieving equilibrium; fuller discussion of the wealth effect. *Chapter 10*: Consolidated the application on the Great Depression and added a new application on recession in Japan during the late 1990s. *Chapter 11*: Discussion of changes in AD and AS are now organized around specific macro outcomes; new section on simultaneous full employment, strong growth, and price stability; deleted discussion of the ratchet effect. *Chapter 12*: New Figure 12.4 and a greatly revised and simplified discussion of the full employment budget and the method of evaluating whether fiscal policy is neutral, contractionary, or expansionary.
- **Part 3.** *Chapter 13*: The section on “Recent Developments” now stresses consolidation among banks, the convergence of services among financial institutions, and electronic transactions. *Chapter 14*: Changed terminology from *demand deposits* to *checkable deposits*. *Chapter 15*: Deleted peripheral content; *demand-deposit multiplier* is now *checkable-deposit multiplier*; new discussion of the ineffectiveness of expansionary monetary policy in Japan.
- **Part 4.** *Chapter 16*: Significantly revised and condensed section on the inflation-unemployment relationship; consolidated discussion of supply-side economics. *Chapter 17*: New Figure 17.3 links shifts in the production possibilities curve and the long-run AS curve; replaced the discussion of the productivity slowdown with a new section on recent productivity growth and the New Economy; new Figure 17.7 compares trend productivity growth between 1973–1995 and 1995–2000; new Global Perspective 17.2 shows growth competitiveness rankings of countries; brought the material on “Is growth desirable?” from the Last Word of the prior edition to the body in this edition. *Chapter 18*: New discussion of budget surpluses and policy options for using them; new Figure 18.4 shows the rising percentage of the U.S. population over 65. *Chapter 19*: New discussion of the Taylor monetary rule.
- **Part 5.** *Chapter 20*: Title changed to reflect chapter content; added applications section on cross elasticity of demand; revamped section on government-controlled prices. *Chapter 21*: Updated applications and extension section; changed language from *budget restraint* to *budget constraint*. *Chapter 22*: Improved explanation of explicit and implicit costs; added “learning-by-doing” to the list of sources of economies of scale; new applications of economies of scale (startup firms and newspapers). *Chapter 23*: Deleted the section on “Qualifications” to shorten the chapter and because we discuss each in detail in later chapters. *Chapter 24*: New, updated examples throughout; substantially revised section “Assessment and Policy Options.” *Chapter 25*: Greatly shortened the discussion of cartels by focusing on only recent, rather than historical, OPEC actions; changed the identities of firms in the discussion of kinked demand from A, B, C to hypothetically named firms. *Chapter 26*: Edited down some long lists of examples and added new examples.
- **Part 6.** *Chapter 27*: Added Tables 27.5 and 27.6 on occupational trends in the United States. *Chapter 28*: Transposed the graphs in Figure 28.3; revised discussion of the minimum wage; new Figure 28.9 shows how wage differentials can arise on either the demand or supply

side of labor markets. *Chapter 29:* made the discussion of the single-tax proposal an application of the idea of economic rent.

- **Part 7. Chapter 30:** Revised Table 30.2 on cost-benefit analysis; integrated the discussion of specific antipollution policies within the analysis of negative externalities; added a brief section on global warming; New Global Perspective 30.1 on carbon dioxide emissions. *Chapter 31:* Clarified discussion of the payroll tax; inclusion of new CBO (1999) data on average tax rates of all Federal tax sources by income quintile.
- **Part 8. Chapter 32:** Pared the chapter by eliminating the discussion of industrial concentration and industrial policy; updated examples on antitrust, including the Microsoft case; revised section on industrial regulation for clarity and relevance to today's regulatory and deregulatory climate; reorganized the discussion of social regulation. *Chapter 33:* New Figure 33.3 on U.S. farm exports as a percentage of farm output; new Figure 33.4, which shows inflation-adjusted U.S. agricultural prices for selected commodities, 1950–1998; refocused Table 33.1 from farm population to farm employment; revised the discussion of the Freedom to Farm Act and emergency farm payments 1998–2000. *Chapter 34:* Reorganized discussion of income inequality and trends in income inequality; new discussion of the decline in the number of people on welfare; new discussion of the inequality of wealth. *Chapter 35:* Moved this chapter from Chapter 36 in the previous edition. *Chapter 36:* New issues discussed (patients' bill of rights, prescription drug coverage under Medicare).
- **Part 9. Chapter 37:** Shortened this chapter; replaced the discussion of U.S. trade policy with a section on the WTO. *Chapter 38:* Eliminated the balance sheets in explaining the financing of export and import transactions; updated the discussion of the managed floating system in view of significant bailouts by the IMF and currency interventions by major countries; updated discussion of U.S. trade deficits. *Chapter 39:* New Figure 39.2 on projected population growth; new Global Perspective 39.1 showing data from Transparency International's corruption index; new discussion on debt forgiveness. The previous edition's Chapter 40, *Economies in Transition: Russia and China*, is no longer part of the printed text. It has been fully updated,

revised, and continues to be supported by the supplementary book materials, but is now located solely on the Website.

■ Distinguishing Features

This text embraces a number of distinguishing features.

- ***Comprehensive Explanations at an Appropriate Level.*** *Economics* is comprehensive, analytical, and challenging, yet fully accessible to a wide range of students. Its thoroughness and accessibility enable instructors to select topics for special classroom emphasis with confidence that students can read and comprehend independently other assigned material in the book.
- ***Fundamentals of the Market System.*** Many economies throughout the world are making difficult transitions from planning to markets. Our detailed description of the institutions and operation of the *market system* in Chapter 4 is even more relevant than before. We pay particular attention to property rights, entrepreneurship, freedom of enterprise and choice, competition, and the role of profits because these concepts are poorly understood by beginning students.
- ***Early Integration of International Economics.*** We give the principles and institutions of the global economy early treatment. Chapter 6 examines the growth of world trade, the major participants in world trade, specialization and comparative advantage, the foreign exchange market, tariffs and subsidies, and various trade agreements. This strong introduction to international economics permits "globalization" of later discussions.
- ***Early and Extensive Treatment of Government.*** Government is an integral component of modern capitalism. This book introduces the economic functions of government early and accords them systematic treatment in Chapter 5. Chapter 30 examines government and market failure in further detail and Chapter 31 looks at salient facets of public choice theory and taxation. Both the macroeconomics and the microeconomics sections of the text include issues- and policy-oriented chapters.
- ***Building-block Approach to Macro*** We systematically present macroeconomics by:
 - Establishing the real GDP concept and previewing economic growth, unemployment, and inflation.

- Building the aggregate expenditures model (AE model).
 - Deriving aggregate demand from the AE model and developing the aggregate demand–aggregate supply model (AD–AS model).
 - Using the AD–AS model to discuss fiscal policy.
 - Introducing monetary considerations into the AD–AS model.
 - Using the AD–AS model to discuss monetary policy.
 - Extending the AD–AS model by distinguishing between short-run and long-run aggregate supply.
 - Applying the “extended AD–AS model” to macroeconomic instability, economic growth, and disagreements on macro theory and policy.
- **Emphasis on Technological Change and Economic Growth.** This edition continues to emphasize economic growth. Chapter 2 uses the production possibilities curve to show the basic ingredients of growth. Chapter 8 explains how growth is measured and presents the facts of growth. Chapter 17 discusses the causes of growth, looks at productivity growth and the New Economy, and addresses some of the controversies surrounding economic growth. Chapter 26 provides an explicit and cohesive discussion of the microeconomics of technological advance, including topics such as invention, innovation, and diffusion; startup firms, R&D decision making; market structure and R&D effort; and creative destruction. Chapter 39 focuses on the less developed countries and the growth obstacles they confront.
- **Stress on the Theory of the Firm.** We have given much attention to microeconomics in general and to the theory of the firm in particular, for two reasons: First, the concepts of microeconomics are difficult for most beginning students; abbreviated expositions usually compound these difficulties by raising more questions than they answer. Second, we wanted to couple analysis of the various market structures with a discussion of the impact of each market arrangement on price, output levels, resource allocation, and the rate of technological advance.
- **Focus on Economic Issues.** For many students, Part 4 (macroeconomic issues) and Part 8 (microeconomic issues) are where the action is. We

sought to guide that action along logical lines through the application of appropriate analytical tools. In these parts we favor inclusiveness; instructors can effectively choose two or three chapters from this group.

■ Organization and Content

Economics reflects the challenge that specific topics and concepts will likely pose for average students. For instance, the theory of the firm and macro output and price-level determination are carefully treated. Here, simplicity is correlated with comprehensiveness, not brevity.

Our experience suggests that in treating each basic topic—aggregate demand and aggregate supply, money and banking, theory of the firm, and international economics—it is desirable to couple analysis with policy. Generally, we use a three-step development of analytical tools: (1) verbal descriptions and illustrations; (2) numerical examples, and (3) graphical presentation based on these numerical illustrations.

All these considerations prompted us to organize the book into nine parts: Part 1: An Introduction to Economics and the Economy; Part 2: National Income, Employment, and Fiscal Policy; Part 3: Money, Banking, and Monetary Policy; Part 4: Long-Run Perspectives and Macroeconomic Debates; Part 5: Microeconomics of Product Markets; Part 6: Microeconomics of Resource Markets; Part 7: Microeconomics of Government; Part 8: Microeconomic Issues and Policies; and Part 9: International Economics and the World Economy.

■ Organizational Alternatives

Although instructors generally agree as to the content of the principles of economics course, they often differ as to how to arrange the material. *Economics* provides considerable organizational flexibility. Previous users tell us they often substantially rearrange chapters with little sacrifice of continuity.

We chose to move from macro- to microeconomics, but the introductory material of Part 1 can be followed immediately by the microanalysis of Parts 5 and 6. Similarly, the AD–AS model appears after two chapters on aggregate expenditures analysis. Those who want to rely exclusively on AD–AS can omit those two chapters, supplementing the AD

analysis with discussions of investment demand and the multiplier implicit within shifts of the AD curve.

Some instructors will prefer to intersperse the microeconomics of Parts 5 through 7 with the problems chapters of Part 8. Chapter 33 on agriculture may follow Chapter 23 on pure competition; Chapter 32 on antitrust and regulation may follow Chapters 24 to 26 on imperfect competition models and technological advance. Chapter 35 on labor market issues (unions, discrimination, and immigration) may follow Chapter 28 on wages; and Chapter 34 on income inequality may follow Chapters 28 and 29 on distributive shares of national income.

Instructors who teach the typical two-semester course and feel comfortable with the book's organization will find that, by putting Parts 1 to 4 in the first semester and Parts 5 through 9 in the second, the material is divided logically between the two semesters. For those instructors who choose to emphasize international economics, Parts 1, 2, 3, and 9 may be treated the first semester and Parts 4 through 8 the second.

Those teaching a one-semester course will discern several possible chapter groupings. At the end of the Preface we suggest outlines for three one-semester courses, emphasizing macroeconomics, microeconomics, or a survey of micro and macro theory, and two one-quarter-course options.

■ Pedagogical Aids

Economics has always been student oriented. The "To the Student" statement at the beginning of Part 1 details the book's many pedagogical aids. The fifteenth edition is also accompanied by a variety of high-quality supplements.

Supplements for Students

- **Study Guide** William Walstad of the University of Nebraska at Lincoln, who is one of the world's foremost experts on economic education, has prepared the fifteenth edition of the *Study Guide*, which many students find indispensable. Each chapter contains an introductory statement, a checklist of behavioral objectives, an outline, a list of important terms, fill-in questions, problems and projects, objective questions, and discussion questions. The answers to *Economics'* end-of-chapter Key Questions appear at the end of the *Study Guide*, along with the text's glossary.

The *Guide* comprises a superb "portable tutor" for the principles student. Separate *Study Guides* are available for the macro and micro paperback editions of the text.

- **DiscoverEcon** This software by Gerald Nelson at the University of Illinois–Champaign/Urbana is available on CD and the Web. This award-winning tutorial is closely integrated with the text. Every book chapter is accompanied by a software chapter that includes text *Quick Reviews*, web and essay questions, a "match the key terms" exercise, and multiple choice questions. All book *Key Graphs* are presented in interactive format, with many accompanied by exercises to test comprehension of key concepts. Exercises use random numbers to give each student a unique batch of questions, and the results can be printed or submitted electronically to an instructor, making them ideal homework sets. For a demo go to www.mhhe.com/economics/discoverecon/mcbrue15
- **Website** "Web Button" icons alert students to points in the book where they can springboard to the Website to learn more. There also are weekly news updates, an interactive glossary, and self-grading tests—all specific to *Economics*. For the math-minded student, there is a "Want to See the Math?" area where they can explore the mathematical details of the concepts in the text. There is also a bonus chapter on the Web titled "Transition Economies: Russia and China."
- **GradeSummit—Principles of Economics** An innovative product that helps students make the most efficient use of their study time, this Internet exam preparation service contains exam-like questions written by professors and peer reviewed for quality and accuracy. Students will pinpoint comprehension weaknesses and access feedback for addressing those problem areas. GradeSummit relates closely to the text. It provides a variety of ways for students to analyze their results in order to quickly guide them to those subject areas where they should be spending their study time. For more information, students and instructors should go to www.gradesummit.com.

Supplements for Instructors

- **Instructor's Resource Manual** Janet West of the University of Nebraska at Omaha has revised and updated the *Instructor's Resource*

Manual. It includes chapter summaries, listings of “what’s new” in each chapter, teaching tips and suggestions, learning objectives, chapter outlines, data and visual aid sources with suggestions for classroom use, and questions and problems.

Available again in this edition is an MS-Word version of the *Manual*. Instructors can print out portions of the *Manual*’s contents, complete with their own additions and alterations, for use as student handouts or in whatever ways they wish. This capability includes printing out answers to the end-of-chapter questions.

- **Instructor’s Presentation CD-ROM** This CD contains everything the instructor needs for a multimedia lecture. Video clips, photos, PowerPoint slides, and much more are included and can be customized with personal material. The CD also contains key supplements for added flexibility and convenience.

- **Three Test Banks** Two test banks of objective, predominately multiple-choice questions and a third test bank of short-answer essay questions and problems supplement this edition of *Economics*.

Test Bank I This test bank includes more than 5900 questions, most written by the text authors.

Test Bank II Written by William Walstad, this test bank contains more than 5400 questions. All Test Bank II questions are categorized according to level of difficulty: easy, moderate, or difficult.

Test Bank III Also prepared by William Walstad, Test Bank III contains “constructive response” testing to evaluate student understanding in a manner different from conventional multiple-choice and true-false questions. Suggested answers to the essay and problem questions are included.

For all test items in Test Banks I and II, the nature of each question is identified (for example, G = graphical; C = complex, etc.) as are the numbers of the text’s pages that are the basis for each. Also, each chapter in Test Banks I and II has an outline or table of contents that groups questions by topics. In all, more than 11,000 questions give instructors maximum testing flexibility while assuring the fullest possible text correlation.

Test Banks I and II are available in computerized Brownstone Diploma versions. These

systems can produce high-quality graphs from the test banks and feature the ability to generate multiple tests, with versions “scrambled” to be distinctive. This software will meet the various needs of the widest spectrum of computer users. Testbank III, the essay bank, is available in printed and MS Word formats.

- **Color transparencies** There are more than 200 new full-color transparencies for the fifteenth edition. They encompass all the figures appearing in *Economics* and are available on request to adopters.
- **PageOut** This software allows instructors to create a course Website via a relatively easy “paint-by-numbers” method. Simply fill in the templates, choose a design, and within minutes your syllabus will be posted on your own Website. Students can then follow your syllabus and be referred to daily assignments and postings.
- **PowerWeb** This online resource provides high quality, peer-reviewed content including up-to-date articles from leading periodicals and journals, current news, weekly updates with assessment, interactive exercises, Web research guide, study tips and more. PowerWeb is available packaged with the McConnell & Brue text or for online purchase at the website www.dushkin.com/powerweb.

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We give special thanks to Norris Peterson of Pacific Lutheran University and Randy Grant of Linfield College who teamed up with Stan Brue to create the “button” content on our Website. We again thank James Reese of the University of South Carolina at Spartanburg, who wrote 80 end-of-chapter Internet exercises for the previous edition. Although we have replaced many of those questions, several remain virtually unchanged in the new edition. We also thank Robert Jensen of Pacific Lutheran University for his meticulous help in proofreading the entire manuscript (twice).

The fifteenth edition has benefited from a number of perceptive reviews. The contributors, listed at the end of the Preface, were a rich source of suggestions for this revision.

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Campbell R. McConnell
Stanley L. Brue

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 Ross Thomas, *Albuquerque TVI*
 Donna Thompson, *Brookdale Community College*
 Lee VanScyoc, *University of Wisconsin-Oshkosh*
 Charles Wagoner, *Delta State University*
 Dale Wasson, *Southwest Missouri State*
 Janet Weaver, *Drake University*
 Janet West, *University of Nebraska at Omaha*
 Wendy Wood, *Bevill State Community College*

User Survey Respondents

Thomas Burke, *St. Joseph's University*
 Christopher Lee, *Saint Ambrose University*
 Kristen Monaco, *University of Wisconsin*
 Tahnay Naggar, *West Chester University*
 Melvin Oliver Jr., *North Carolina Wesleyan College*
 Rebecca Rutz, *Mississippi Gulf Coast Community College*
 Mark Schopmeyer, *Jackson Community College*
 Lavern Timmer, *Alfred State College*
 George Giannakouros, *Loras College*
 M. Wayne Martin, *Danville Community College*
 Harry Richard Call, *The American River College*
 Margarita Rose, *King's College*
 Marwan El Nasser, *State University of New York College at Fredonia*
 Irving Richards, *Cuyaboga Community College*
 Nozar Hashemzadeh, *Radford University*
 Charles Reichheld, *Cuyaboga Community College*
 Robert Kephart, *Corning Community College*
 Kevin Schochart, *University of Northern Iowa*
 Kwang-Wen Chu, *California State University-Fullerton*
 Charles Link, *University of Delaware*
 Janet West, *University of Nebraska at Omaha*
 Barry Bomboy, *J. Sargeant Reynolds Community College*
 Sarah P. Rook, *University of South Carolina at Spartanburg*
 Gaminie Meepagala, *Howard University*
 Jim Ciminskie, *Bay de Noc Community College*
 Michael Twomy, *University of Michigan at Dearborn*
 S. Gokturk, *Saint John's University*
 Doug Curtis, *Northeast Community College*
 Paul J. Hoyt, *Valencia Community College*
 Saul Mekies, *Kirkwood Community College*
 Joanna Moss, *San Francisco State University*
 Timothy J. Bettner, *University of Laverne*
 Lawrence B. Morse, *North Carolina A&T State University*
 Frank Leroi, *College of San Mateo*
 Kahtan Al Yasiri, *University of Wisconsin at Platteville*
 Calvin Shipley, *Henderson State University*
 Rosemary Walker, *Washburn University*
 William Peek, *Niagara University*
 Lee Deavours, *Mississippi Gulf Coast Community College*
 Carl Bauer, *Oakton Community College*
 Wayne Bartholomew, *Indiana University at South Bend*
 Donna Thompson, *Brookdale Community College*
 Shiv K. Gupta, *University of Findlay*
 Arvnee Grow, *Mesa Community College*
 Scott Simkins, *North Carolina A&T State University*

Emmanuel Asigbee, *Kirkwood Community College*
Sister Ann Coyle, *Immaculata College*
Michael McCully, *High Point University*
James Phillips, *Cypress College*
Mashid Jalilvand, *University of Wisconsin–Stout*
Marvin Burnett, *St. Louis Community College at Florissant Valley*
Thomas Kemp, *Tarrant County College*
William Walstad, *University of Nebraska at Lincoln*
Gerald Fox, *High Point University*
Julie Granthen, *Oakland University*
Norm Caldwell, *Indiana Central Community College*
Jerry McElroy, *Saint Mary's College*
Fred Hershede, *Indiana University at South Bend*
Paul Joray, *Indiana University at South Bend*
Patricia Humston, *Coastal Bend College*
John Kirk, *College of San Mateo*
Quentin Ciolfi, *Brevard Community College*
Lawrence Fratecschi, *College of DuPage*
Irwin Kellner, *Hofstra University*
Dan Berszez, *College of DuPage*
Ted Woodruff, *Saint Ambrose University*
David Chen, *North Carolina A&T State University*
C. F. Hawkins, *Lamar University*
Nina Shapiro, *Saint Peter's College*
Roy Howsep, *Western Kentucky University*

Anthony Truong, *University of Hawaii LCC*
Robert Gustavson, *Washington University*
Greg Rose, *Sacramento City College*
Wali Mondal, *Henderson State University*
David Shorow, *Richland College*
Henry Kolendzanos, *Danville Community College*
William Swift, *Hofstra University*
John Dorsey, *University of Maryland*
Martin Melkonian, *Hofstra University*
Emmanuel Nnadozie, *Truman State University*
Salim Harik, *Western Michigan University*
Connie Culbreth, *Brevard Community College*
Elizabeth Hill, *Penn State University*
William Harris, *University of Delaware*
Laddie Sula, *Loras College*
Eugene Williams, *McMurray University*
William Tabel, *South Suburban College*
Maria Gamba, *University of Findlay*
Janice Weaver, *Drake University*
Alan Kessler, *Providence College*
Ismail Shariff, *University of Wisconsin at Green Bay*
John P. Connelly, *Corning Community College*
M. B. Biery, *Tarrant County College*
Erick M. Elder, *University of Arkansas at Little Rock*
Della Sampson, *Dalton State College*

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