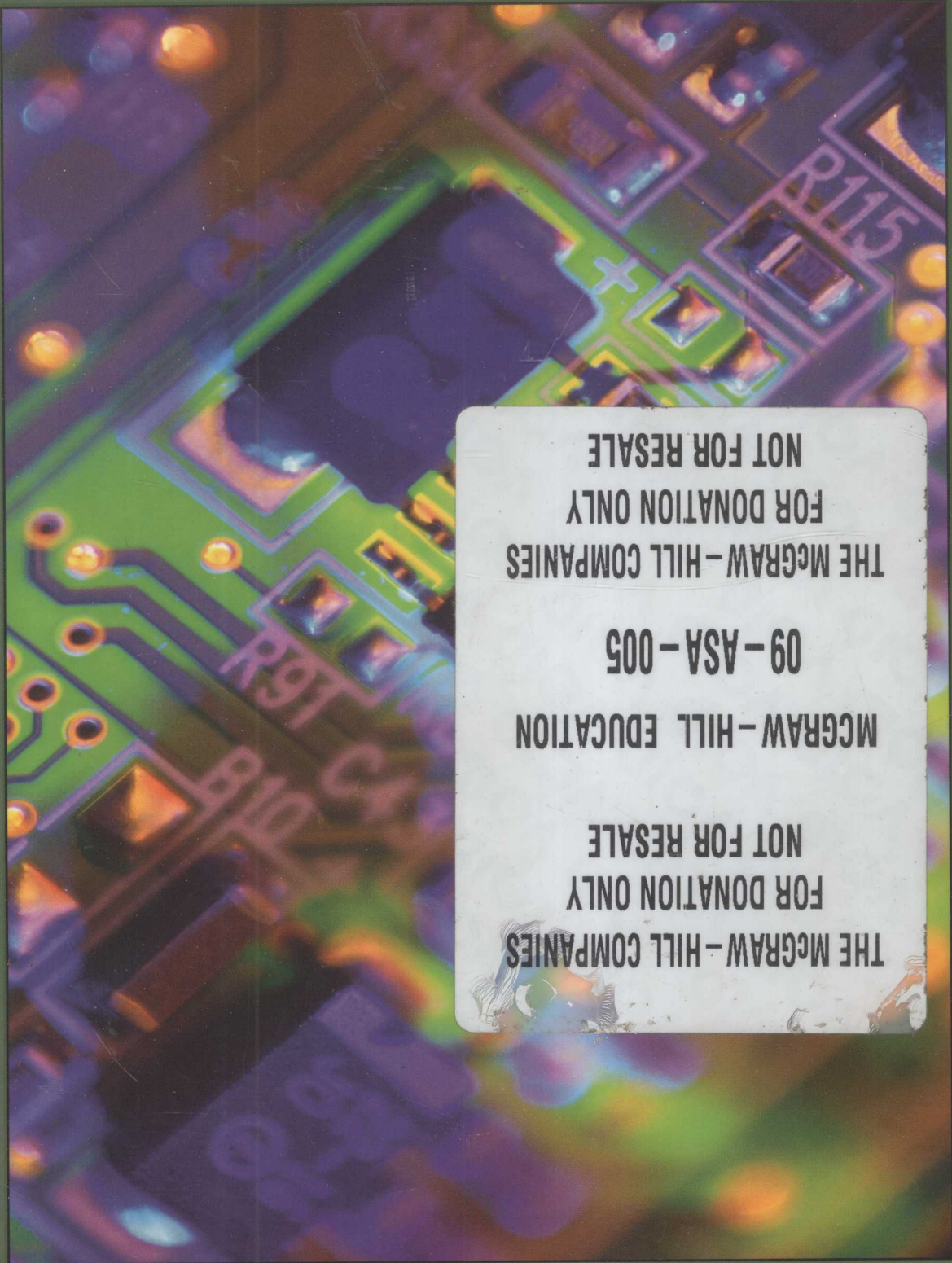


BRADLEY R. SCHILLER

The Micro Economy Today



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■ Ninth Edition

THE MICROECONOMY TODAY

Ninth Edition

Bradley R. Schiller

American University



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THE MICRO ECONOMY TODAY

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ABOUT THE AUTHOR

Bradley R. Schiller has over three decades of experience teaching introductory economics at American University, the University of California (Berkeley and Santa Cruz), and the University of Maryland. He has given guest lectures at more than 100 colleges ranging from Fresno, California, to Istanbul, Turkey. Dr. Schiller's unique contribution to teaching is his ability to relate basic principles to current socioeconomic problems, institutions, and public policy decisions. This perspective is evident throughout *The Micro Economy Today*.

Dr. Schiller derives this policy focus from his extensive experience as a Washington consultant. He has been a consultant to most major federal agencies, many congressional committees, and political candidates. In addition, he has evaluated scores of government programs and helped design others. His studies of discrimination, training programs, tax reform, pensions, welfare, Social Security, and lifetime wage patterns have appeared in both professional journals and popular media. Dr. Schiller is also a frequent commentator on economic policy for television, radio, and newspapers.

Dr. Schiller received his Ph.D. from Harvard in 1969. His B.A. degree, with great distinction, was completed at the University of California (Berkeley) in 1965. He is now a professor of economics in the School of Public Affairs at American University in Washington, D.C.

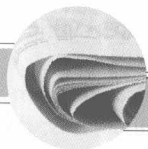
The terrorist attacks of September 11, 2001 increased the demand for economic education. In the immediate aftermath of those attacks, there was worldwide anxiety about the stability of the U.S. economy. Would the attacks topple the already-teetering U.S. economy into a deep and prolonged recession, dragging the world economy down with it? Or would the U.S. economy bounce back from the terrorists' "external shock" before much damage was done? Overnight, the field of economics attracted a larger and more attentive audience. That audience wants to know how the economy works, how global economies interact, and whether governments can assure economic security.

Can we deliver the goods? Can we explain how the pieces of the economy fit together? Can we identify the circumstances that justify government intervention in the marketplace? Can we explain how and why the Federal Reserve's lightning-fast injections of liquidity averted a financial meltdown in the aftermath of the terrorist attacks? Or why airport security might be a "public good" requiring government subsidy? Or why "saving Social Security" took a back seat to saving the economy in budget debates? Last, but far from least, can we convey all this information in a manner that students will actually absorb?

These are not small challenges. For nearly three decades I have been trying to meet these challenges in *The Micro Economy Today*. My approach has been to deliver a focused, logically ordered introduction to economic principles. Rather than aspiring to encyclopedic coverage, *The Micro Economy Today* strives to develop, illustrate, and review the core ideas of economic theory. To reinforce and enliven these concepts, *The Micro Economy Today* teaches principles in a real-world context that students will recognize. Robinson Crusoe-type fables don't cut it with today's students. Nor do illustrations based on Aunt Gertrude's widget factory. As the accompanying *In the News* confirms, today's students want a slice of reality in their college courses.

The Micro Economy Today has always delivered that slice and more, and the ninth edition is no exception. My Washington, D.C. base gives me a special advantage in illustrating how the real world challenges policy makers, in both macro principles (e.g. post-terrorist stabilization policy) and micro principles (e.g. anti-trust, energy regulation, Social Security). The real world is not confined to a few boxed inserts, but instead imbues the entire text. Students get the whole reality cake, not just a few crumbs. Experience has shown that teaching economics in such a pervasive real-world context awakens and sustains student interest in economic principles.

IN THE



NEWS

Real World 101**Colleges Scramble to Serve Students Looking for Classes That Elucidate Current Events**

Who knew that the University of Nebraska houses American academia's only Afghanistan studies center? Or that a top-notch geography department would put Southwest Texas State University in San Marcos on the map for CIA recruiters? Before September 11, such specialties attracted scant attention

and few students. But the speed with which colleges nationwide have raced to accommodate the stampede of undergraduates suddenly interested in war-related subject areas has stunned even seasoned educators (and turned scores into celebrity-experts).

—Mary Lord

Source: *U.S. News & World Report*, November 5, 2001. Reprinted with permission. www.usnews.com

Analysis: Real-world events and issues spark student interest in academic courses. No text brings the real world into the economics course as much as *The Micro Economy Today*.

The next few pages highlight the features that differentiate *The Micro Economy Today* from other introductory texts. Over the years, some of those pioneering features have been copied by other texts. That suggests that competition still exists in the textbook market despite the mergers that have greatly reduced the number of publishers. In the spirit of that competition, *The Micro Economy Today* keeps advancing pedagogical technology and updating content, staying ahead of the pack. I hope you and your students will profit from these efforts.

CENTRAL THEMES

Like no other text, *The Micro Economy Today* is designed around four central themes that set the tone and content of the entire book.

Real-World Focus

The foremost motivating theme for *The Micro Economy Today* is to understand the economy around us. Business, consumer, global, and policy applications of economic principles are used throughout the text both to illustrate and reinforce basic principles. This is not an easy job. To do it successfully, the text must reflect the salient economic events and issues that captivate Main Street, Wall Street, Capitol Hill, and other world capitals. The issues range from price competition in personal computers and HDTVs, to the Microsoft antitrust case, to President Bush's rejection of the Kyoto treaty on global warming, to Social Security reform, to the demise of "dot.com" companies, and to the on-going deregulation of electricity supplies. Every chapter directly links basic economic principles to these headline-capturing issues, enlivening student interest and improving students' retention of the material.

Clean, Clear Theory

Despite the abundance of real-world applications, this is at heart a *principles* text, not a compendium of issues. Good theory and interesting applications are not mutually exclusive. This is a text that wants to *teach economics*, not just increase awareness of policy issues. To that end, *The Micro Economy Today* provides a logically organized and uncluttered theoretical structure for macro, micro, and international theory. What distinguishes this text from others on the market is that it conveys this theory in a lively, student-friendly manner.

What, How, and For Whom

The core issues of WHAT, HOW, and FOR WHOM to produce are used as the links to connect economic principles with real-world issues. After the nature of these three core issues is discussed in Chapter 1, they become a foundation for organizing subsequent issues and applications. Chapter 2 gives students a graphic overview of how these issues have been resolved in the United States and other countries. In all subsequent chapters, prominent policy issues are explicitly discussed within the WHAT, HOW, and FOR WHOM context.

This emphasis on the three core issues is very different from approaches that emphasize a finite set of core principles or topical applications; approaches that are inherently subjective and necessarily incomplete. More importantly, any list of topical applications is ultimately just a collection of variants of the three core issues. The core issues of WHAT, HOW and FOR WHOM, not any particular set of their applications, are what command universal acceptance. It's far more important for students to recognize this core content than to memorize any particular list of applications.

Who Decides—Markets or Government?

This book also emphasizes the importance of the decision mechanisms we use to resolve the core issues. This is the "markets vs. government" debate. Should we let Adam Smith's "invisible hand" steer the economy, or should the government intervene to alter market outcomes? Should nations intervene to "protect" their currencies, or should they let the financial markets alone set international exchange rates? Rather than answering these questions, *The Micro Economy Today* emphasizes the importance of decision mechanisms for our economic welfare. Right up front in Chapter 1, the po-

tential for *market* failure as well as *government* failure is recognized. No panacea is offered, just a scientific way of thinking about how markets work and why we so often depend on them, yet at other times reject them.

DISTINCTIVE APPLICATIONS

In addition to the elements that differentiate *The Micro Economy Today* from its competitors, I have woven a set of applications into the text that further sets it apart.

Boxed applications taken from the front pages of *The Wall Street Journal*, *The Washington Post*, *The New York Times*, *Fortune*, *Business Week*, and other media are placed throughout the text. Four features make my *In the News* boxes distinctive. First, every one of them has a caption that ties the news story to key concepts. Second, every *In the News* box is referenced in the body of the text. Third, the *In the News* boxes are the subject of end-of-chapter discussion questions, problems in the *Student Problem Set*, and a designated subset of questions in the *Test Bank*. These three features make the *In the News* boxes an integral part of the learning process rather than just random add-ons. Finally, the 60 *In The News* boxes cover stories that will interest students, making the learning process a whole lot easier.

In The News

The 50 *World Views* boxes placed throughout the text offer global applications of key economic concepts. Like the domestic-oriented *In The News* boxes, all of the *World Views* are annotated with explanatory captions, referenced in the body of the text, and linked to the supplements as the subject of self-test, homework, and exam questions.

World Views

Every chapter of the text ends with a future-looking application called *The Economy Tomorrow*. These sections challenge the student to apply the principles they have just learned to an ongoing or emerging policy issue. In Chapter 3, students are asked to decide whether the government should intervene to suppress price spikes in energy markets. The effects of B2B commerce on the evolution of market structures are considered (Chapter 6), as is the impact of competition on the (plunging) price of HDTV's (Chapter 8). In the international arena, the future role of the World Trade Organization is discussed. All of *The Economy Tomorrow* sections reinforce key concepts while emphasizing the urgency of their role in shaping the dimensions of our economic future.

The Economy Tomorrow

The text presentation is occasionally enlivened with photos and cartoons that reflect basic concepts. The contrasting photos of the original Apple I (p. 178) and the iMac (p. 187) underscore how the “animal spirits” of competitive markets spur innovation. Hopefully, that kind of photographic testimony will spark greater student interest. The cartoon on p. 206 alerts students to the possibility that mergers can have adverse consequences for consumers. Every photo and cartoon is annotated and referenced in the body of the text. These visual features are an integral part of the presentation, not diversions.

Photos and Cartoons

DISTINCTIVE PEDAGOGY

My insistence on attaching explanatory captions to every photo, cartoon, and news box is representative of another differentiating feature of *The Micro Economy Today*—user-friendly pedagogy. No matter how good the theoretical structure of a text is, it won't impress students unless it's taught in a user-friendly and productive way. That is why pedagogy has always been a central concern of this text.

Readability

The one adjective invariably used to describe *The Micro Economy Today* is “readability.” Professors often express a bit of shock when they realize that students actually enjoy reading the book. (Well, not as much as a Steven King novel, but a whole lot better than most textbooks they’ve had to plow through.) The writing style is lively and issue-focused. Unlike any other textbook on the market, every boxed feature, every graph, every table, and every cartoon is explained and analyzed. Because every feature is also referenced in the text, students actually learn the material rather than skipping over it.

**Self Explanatory
Graphs and Tables**

Graphs are *completely* labeled, colorful, and positioned on background grids. Because students often enter the principles course as graph-phobics, graphs are frequently accompanied by synchronized tabular data. Every table is also annotated. This shouldn’t be a product-differentiating feature but, sadly, it is. Putting a table in a textbook without an annotation is akin to writing a cluster of numbers on the board, then leaving the classroom without any explanation.

**Reinforced Key
Concepts**

Key terms are defined in the margin when they first appear and, unlike in other texts, redefined as necessary in the margins of subsequent chapters. Web site references are directly tied to the book’s content, not hung on like ornaments. End-of-chapter discussion questions use tables, graphs, and boxed news stories from the text, reinforcing key concepts.

Student Problem Set

I firmly believe that students must *work* with key concepts in order to really learn them. Weekly homework assignments are *de rigueur* in my own classes. To facilitate homework assignments, I have prepared the *Student Problem Set* that includes built-in numerical and graphing problems that build on the tables, graphs, and boxed material in each chapter. Grids for drawing graphs are also provided. Each chapter’s problem set is detachable and includes answer boxes that facilitate grading. (Answers are in the *Instructors Resource Manual*, in print or online). The separately bound *Student Problem Set* comes free with every new copy of *The Micro Economy Today*.

Although the policy emphasis, uncluttered format, and student-friendly pedagogy help differentiate this book from others on the market, there are many other features of *The Micro Economy Today* that make it stand out in macro, in micro, and in international economics.

DISTINCTIVE MICRO

The Micro Economy Today focuses in on the performance of specific companies and government programs in order to showcase the principles of market structure, labor-market functioning, redistribution, and regulation.

**Competitive Market
Dynamics**

The real power of the market originates in competitive forces that breed innovation in products and technology. Other texts treat the competitive firm as a lifeless agent buffeted by larger market forces, but this book provides very different coverage. *The Micro Economy Today* is the only principles text that has two chapters on perfect competition: Chapter 7 on firm behavior and Chapter 8 on industry behavior. Chapter 8 traces the actual evolution of the computer industry from the 1976 Apple I to the iMac. It gives students a real-world sense of how market structure changes over time and lets them see how dynamic, even revolutionary, competitive markets can be. The rise and fall of “dot.coms” and the ongoing plunge in HDTV prices reinforce the notion that competitive markets move with lightning speed to satisfy consumer demand.

(De)Regulation

Chapter 12 focuses on the (de)regulation of private industry. The chapter first examines the qualities of natural monopoly and the rationale for regulating its behavior. The trade-offs inherent in any regulatory strategy are highlighted in the review of the railroad, cable TV, airline, telephone, and electricity industries. The chapter ends with web

exercises that encourage students to examine how federal (FDA) and state (power commission) regulation affects the prices of prescription drugs and electricity. As in so many areas, the choice between imperfect markets and imperfect regulation is emphasized.

The Micro Economy Today offers parallel chapters on taxes and transfers. Chapters 18 and 19 emphasize the central trade-offs between equity and efficiency that plague tax and transfer policies. The varying distributional effects of specific taxes and transfers are highlighted. Examples are drawn from the Bush tax-cut packages of 2001, President Bush's own 2000 tax return, as well as the tax and benefit sides of Social Security. Taken together, the two chapters underscore the government's role in reshaping the market's answer to the FOR WHOM question.

Chapter 17 emphasizes the *economic* rather than the institutional role of financial markets, a topic rarely found in competing texts. The stock and bond markets are viewed as arbiters of risk and mechanisms of resource allocation. The mechanisms of present value discounting are also covered. The chapter starts with the financing of Columbus' New World expedition and ends with a look at the role today's venture capitalists play in promoting growth and technology.

Although real-world content is a general attribute of *The Micro Economy Today*, the level of detail is truly exceptional. Table 10.2 offers concentration ratios for specific *products* (e.g. video game machines), not the abstract industries (e.g. electronic equipment) that inhabit other texts. No other text provides such specific data, even though this is the kind of detail that students can relate to. The oligopoly chapter (10) reviews a slew of recent price-fixing cases (music CD's, laser eye surgery, auction houses) and mergers. The chapter on Monopolistic Competition (11) starts with an examination of Starbucks and ends with a look at the growing market for "branded" bottled waters. Students will recognize these names and absorb the principles of market structure. Football fans will gain a greater appreciation of labor-demand principles after examining the million-dollar paychecks of Steve Spurrier and other college football coaches.

DISTINCTIVE INTERNATIONAL

The global economy runs through every chapter of *The Micro Economy Today*.

The most visible evidence of this globalism are in the 60 *World View* boxes that are distributed throughout the text. As noted earlier, these boxed illustrations offer specific global illustrations of basic principles. To facilitate their use, *every World View* has a brief caption that highlights the theoretical relevance of the example. The *Test Bank* and *Student Problem Set* also offer questions based on these *World Views*.

Consistent with the reality-based content of the entire text, the discussions of trade and finance theory go beyond basic principles to policy trade-offs and constraints. It's impossible to make sense of trade policy without recognizing the vested interests that battle trade principles. Chapter 20 and 21 emphasize that there are both winners and losers associated with every change in trade flows or exchange rates. Because vested interests are typically highly concentrated and well organized, they can often bend trade rules and flows to their advantage. Trade disputes over Mexican trucks, "dumped" steel, and sugar quotas help illustrate the realities of trade policy. The ongoing protest against the World Trade Organization is also assessed in terms of competing interests.

DISTINCTIVE WEB SUPPORT

The ninth edition of *The Micro Economy Today* continues to set the pace for web applications and support of the principles course.

Taxes and Transfers

Financial Markets

Real Companies, Real Products

World Views

Vested Interests

WebNotes**URLs for Highlighted
Material****Web Activities**

Visit the web site dedicated to this text at www.mhhe.com/economics/schiller9

A mini Web site directory is provided in each chapter's marginal WebNotes. These URLs aren't random picks; they were selected because they let students extend and update adjacent in-text discussions.

Internet addresses are also provided for many *In the News* and *World Views* features. Professors and students can use these URLs to pursue policy issues in more depth.

The end of each chapter includes 2-4 Web Activities that send students to the web for data or issues to use in real-world applications of key concepts.

The Micro Economy Today's Web site has been expanded to include even more features that both instructors and students will find engaging and instructive. The Online Learning Center has been completely reorganized so that the site is user-friendly and easy to navigate. Upon entering the site at www.mhhe.com/economics/schiller9, students and instructors will find three separate book covers: one for *The Economy Today*, one for *The Macro Economy Today*, and one for *The Micro Economy Today*. By clicking on the appropriate cover, users will link to a specific site for the version of the book they are using.

Proceeding into the Student Center, students will find lots of brand-new interactive study material. Mark Maier of Glendale College has created two Web Activities per chapter and fifteen Web-Based Projects, unique to the site. In addition, Diane Keenan of Cerritos College has prepared fifteen self-grading multiple-choice questions per chapter, which are ideal for self-quizzing before a test. On top of all that, students have access to my periodic NewsFlashes, a User's Manual for the site, and links to Econ Graph Kit, DiscoverEcon, Economics on the Web, and Career Opportunities. They will also have the option of purchasing PowerWeb access with their book, which supplies them with three to five articles per week on the topics they are studying.

The password-protected Instructor Center includes some wonderful resources for instructors who want to include more interactive student activities in their courses. In addition to the downloadable *Instructor's Manual* and PowerPoints, Instructor's Notes are available for the Web-Based Projects and Web Activities to provide guidance for instructors who collect these assignments and grade them.

DiscoverEcon Software

The DiscoverEcon software, developed by Gerald Nelson of the University of Illinois at Urbana-Champaign, is an exciting complement to the text, featuring new learning opportunities for the students and easy integration into existing courses for the instructor. The software is like an interactive text: software chapters parallel text chapters, and software pages include specific page references to the text. New to this edition of DiscoverEcon are elements from the book such as WebNotes, chapter summaries, and end-of-chapter Web Activities; instructions on how to link your course Web site to a specific page of DiscoverEcon (in the *Instructor's Manual*); and students will now have the capacity to e-mail their quiz results directly to their instructor.

Opportunities for active learning abound. All chapters contain a multiple-choice quiz, essay questions with online links, and match-the-terms exercises. Interactive graphs, animated charts, and live tables let your students manipulate variables and study the outcomes. Links to the glossary and text references clarify key concepts, and Web-based exercises give students a direct link to the site in question. The software comes on a single CD that can be installed and run over a network, and is also available online, via a password code card supplied with new books or available for purchase separately. Link to DiscoverEcon online through the Schiller 9 website: www.mhhe.com/economics/schiller9.

WHAT'S NEW IN THE NINTH

To previous users of *The Micro Economy Today*, all of its distinctive features have become familiar—and, hopefully, welcome. For those instructors already familiar with

The Micro Economy Today, the more urgent question is “What’s New?” The answer is a lot. By way of brief summary, you may want to note the following:

The core market structure sequence (Chapter 7–11) is chock-full of new in-text examples that students will recognize (AOL Time Warner, America Online, Amazon.com, United Airlines, and, of course, the Microsoft anti-trust case). In keeping with evolving anti-trust policy, more emphasis is put on consumer welfare than impediments to competition per se.

In chapter 12, the case study of interstate trucking has been deleted to make room for an expanded treatment of electricity deregulation. California’s botched policy is the central case study, but a deregulation guide to every state is included (along with an enlightening web exercise).

The discussion of labor unions (chapter 16) is enlivened with discussion of new unionization activities among university graduate assistants. By viewing universities as monopsonistic employers and graduate students as exploited labor, the text brings the essence of labor-management conflict back to life.

Roughly 75 percent of the *In The News* and *World View* boxes have been updated with new articles and the most recent data.

Aside from the boxed features, every other piece of economic data in the text has been updated. The in-text examples have been updated in every chapter as well, keeping *The Micro Economy Today* as current as humanly possible.

The *Student Problem Set* that used to reside at the very end of the text itself is now separately bound. More questions are included for each chapter, always with at least one graphing exercise. The separately bound *Student Problem Set* comes free with every new copy of the text. It can also be purchased separately for students relying on used text books.

NEW AND IMPROVED SUPPLEMENTS

Test Bank. Linda Wilson (University of Texas at Arlington) and Kevin Klein (Illinois College) expanded and updated the *Test Bank*. This team assures a high level of quality and consistency of the test questions and the greatest possible correlation with the content of the text as well as the *Study Guide*, which was also prepared by Linda and Kevin. All questions are coded according to level of difficulty and have a text-page reference where the student will find a discussion of the concept on which the question is based. The computerized *Test Bank* is available in Brownstone’s Diploma 97, sophisticated test-making software that ensures maximum flexibility in test development, including the reconfiguration of graphing exercises. Both the print and computerized test banks will be offered in micro and macro versions, each of which contains over 3,000 questions.

PowerPoint Presentations. Anthony Zambelli of Cuyamaca College created new presentation slides for the ninth edition. Developed using Microsoft PowerPoint software, these slides are a step-by-step review of the key points in each of the book’s 21 chapters. They are equally useful to the student at home or in the computer lab for review purposes. The more than 3,000 slides are offered in the split format for greatest convenience, and use animation to show students how graphs build and shift.

Overhead Transparencies. Over 100 of the text’s key tables and graphs have been reproduced as full-color overhead transparency acetates.

Instructor’s Resource Manual. Mark Maier of Glendale College has prepared the *Instructor’s Resource Manual* as well as much of the original content for the website.

Market Structures

Electricity Deregulation

On-Campus Unions

In The News and World View Updates Updates Everywhere

Detached and Expanded Problem Set

Instructor Aids

This has allowed him to integrate the two in a way that will make online web resources easier than ever for instructors to use in class.

The *Instructor's Resource Manual* is available in book form or online, and includes chapter summaries and outlines, "lecture launchers" to stimulate class discussion, and photocopy-ready media exercises to extend the analysis. It also includes a section that details common misconceptions regarding the material in a particular chapter; DiscoverEcon highlights; an annotated outline of the chapter; and answers to Questions for Discussion, Answers to The *Student Problem Set*, and Answers to Web Activities from the book.

News Flashes. As up-to-date as *The Micro Economy Today* is, it can't foretell the future. As the future becomes the present, however, I write 2-page News Flashes describing major economic events and relating them to specific text references. These News Flashes provide good lecture material and can be copied for student use. Adopters of *The Micro Economy Today* have the option of receiving News Flashes via fax or mail. They're also available on the Schiller Web site. Four to six News Flashes are sent to adopters each year. (Contact your local McGraw-Hill/Irwin sales representative to get on the mailing list.)

Student Aids

At the instructor's discretion, students have access to the News Flashes described above. In addition, the following supplements can facilitate learning.

Student Problem Set. The separately bound *Student Problem Set* is packaged with every new copy of *The Micro Economy Today*. Each chapter has 5-8 numerical and graphing problems tied to the content of the text. Graphing grids are provided, as well as extra graphing paper and scratch paper. The answer blanks are formatted to facilitate grading and all answers are contained in the *Instructor's Resource Manual*. For convenience, the *Student Problem Set* is also perforated and 3-hole punched.

Study Guide. From a student's perspective, the most important supplement is the *Study Guide*. The new *Study Guide* has been completely updated by Linda Wilson (University of Texas at Arlington) and Kevin Klein (Illinois College). The *Study Guide* develops quantitative skills and the use of economic terminology, and enhances critical thinking capabilities. Each chapter includes a Quick Review which lists the key points in an easy-to-read bulleted format, Learning Objectives for the chapter, a crossword puzzle using key terms, ten True-False Questions with explanations, twenty Multiple-Choice Questions, Problems and Applications that relate directly back to the text, and Common Student Errors. Answers to all problems, exercises, and questions are provided at the end of each chapter.

ACKNOWLEDGMENTS

The ninth edition has been more of a team effort than most prior editions. I had a wonderful set of reviewers who scrutinized both the prior eighth edition and various drafts of this edition and my collaborators on the supplementary materials came through with a host of fresh ideas that reinvigorated the entire learning package. Linda Wilson and Kevin Klein added loads of new questions to the *Test Bank* and interesting new material in the *Study Guide*. They also tightened the links between these two supplements and the text itself. Mark Maier assumed full responsibility for the *Instructor's Resource Manual* and imbued it with some of the excitement and ingenuity he brings to his own classes. Diane Keenan and Mark together developed Web site content that will persuade more instructors to incorporate web resources into their courses. Tony Zambelli developed PowerPoint presentations that will help enliven classroom presentations. Jerry Nelson updated his exceptional DiscoverEcon tutorial software to retain its position as the student's best interactive support system.

Paul Shensa, who has been my economics editor for longer than I can remember, once again assembled the resources and talent to develop this edition. As development editor, Katie Crouch not only kept the production line moving, but even read and offered useful comments on the entire manuscript. Karen Minnich, the editorial assistant, also pitched in with ideas for *In The News* updates. Tara Straw, my research assistant at American University, was a critical source of data and news updates. The design team, led by Laurie Entringer, once again produced an open and engaging format. Destiny Rynne did an exceptional job as project manager, making sure all of the breaking news stories fit into the pages of *The Micro Economy Today*, and getting the text on to campus in record time. I should probably also mention Gary Burke, Publisher, who pleads for the budget to pay for all of this production and for an occasional game in our recurring tennis matches. Finally, I hope to be eternally grateful to Marty Quinn, who is in charge of marketing this text for McGraw-Hill. His creative ideas and unflagging energy should put *The Micro Economy Today* at the top of the sales chart.

As I noted earlier, the instructors who provided user surveys and critiques throughout the development process were wonderfully helpful and I want to recognize and thank them individually. Thanks to:

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User Surveys

Reviews

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Finally, I'd like to thank all the professors and students who are going to use *The Micro Economy Today* as an introduction to economics principles. I welcome any responses (even the bad ones) you'd like to pass on for future editions.

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