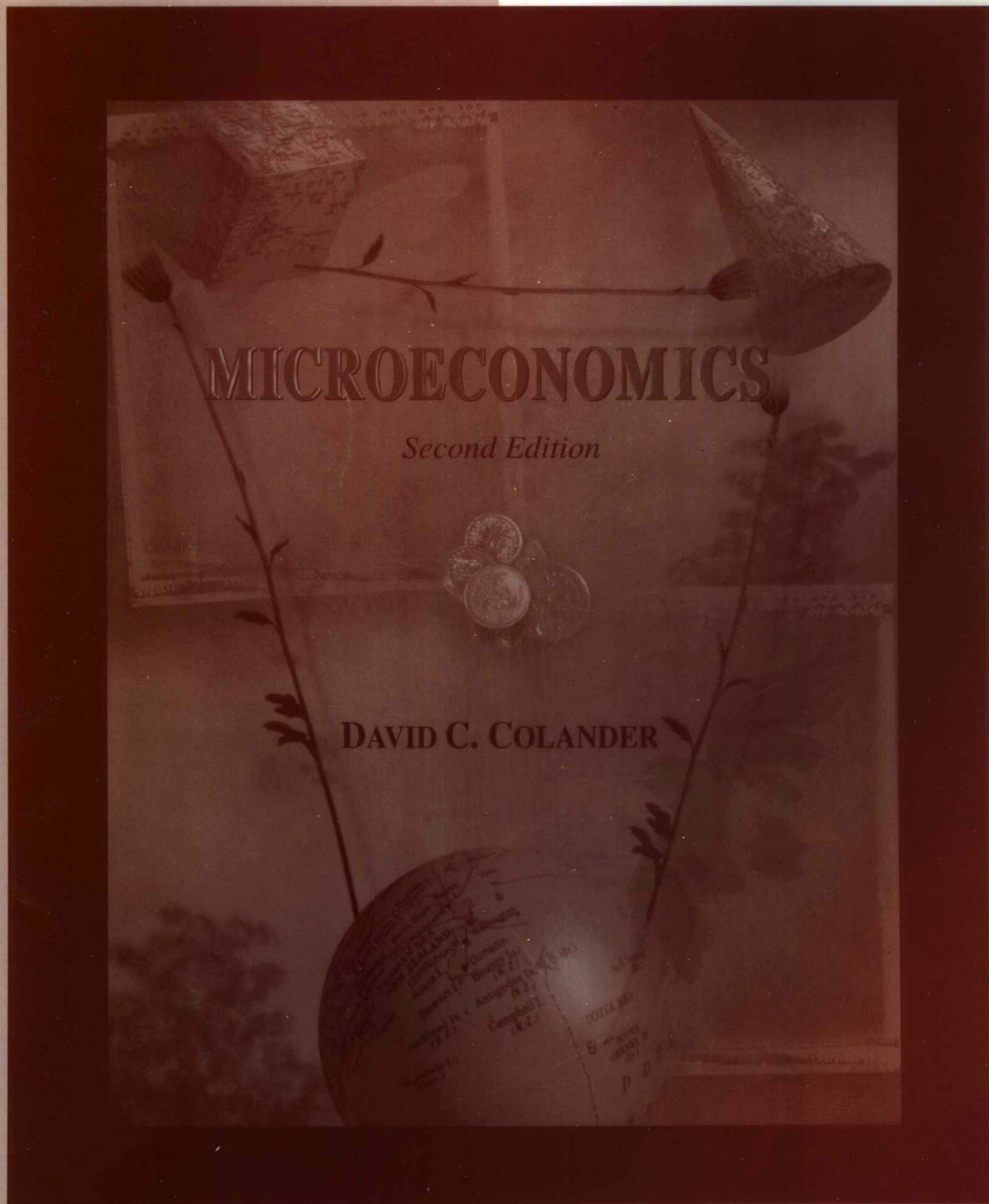


# Ready Notes

for use with



READY NOTES

for use with

# MICROECONOMICS



*Second Edition*

DAVID C. COLANDER

*Middlebury College*

**IRWIN**

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**David C. Colander**

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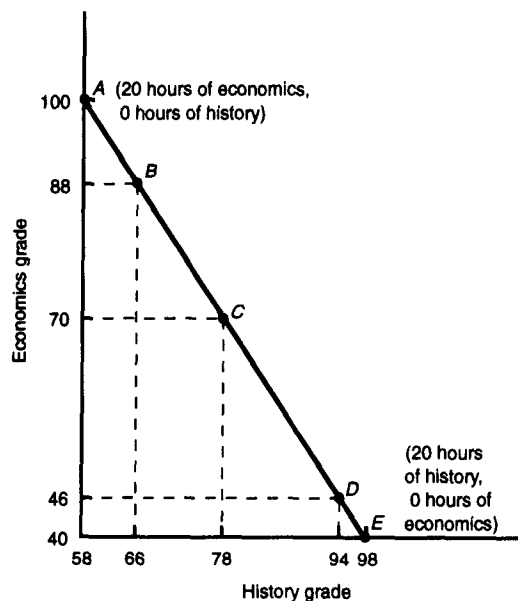
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## T-1

**A Production Possibility Table and Curve for Grades in Economics and History (1-1 a and b)**

Hours of study in history	Grade in history	Hours of study in economics	Grade in economics
20	98	0	40
19	96	1	43
18	94	2	46
17	92	3	49
16	90	4	52
15	88	5	55
14	86	6	58
13	84	7	61
12	82	8	64
11	80	9	67
10	78	10	70
9	76	11	73
8	74	12	76
7	72	13	79
6	70	14	82
5	68	15	85
4	66	16	88
3	64	17	91
2	62	18	94
1	60	19	97
0	58	20	100

(a) Production possibility table

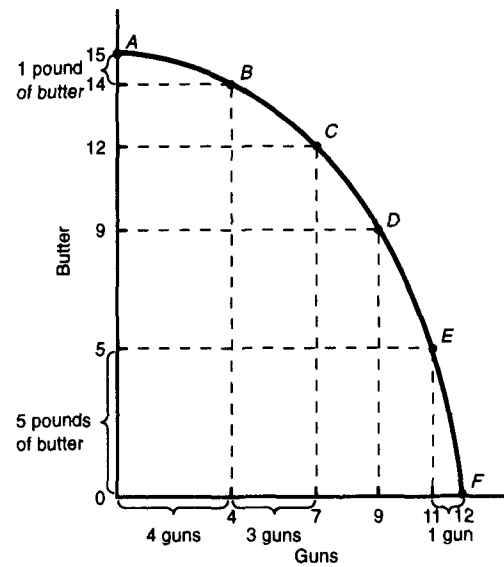


(b) Production possibility curve

## A Production Possibility Table and Curve (1-2 a and b)

% resources devoted to production of guns	Number of guns	% resources devoted to production of butter	Pounds of butter	Row
0	0	100	15	A
20	4	80	14	B
40	7	60	12	C
60	9	40	9	D
80	11	20	5	E
100	12	0	0	F

(a) Production possibility table

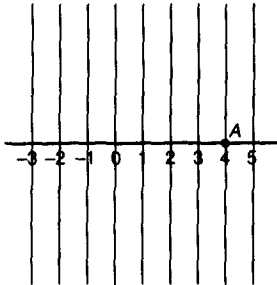


(b) Production possibility curve

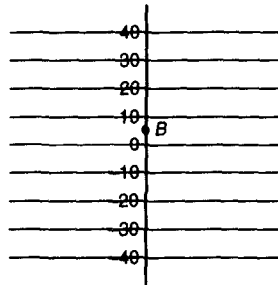


**T-3**

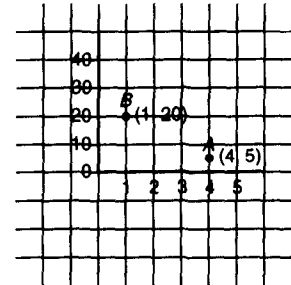
**Horizontal and Vertical Number Lines and a Coordinate System (1-B1 a, b, and c)**



**(a) Horizontal number line**



**(b) Vertical number line**



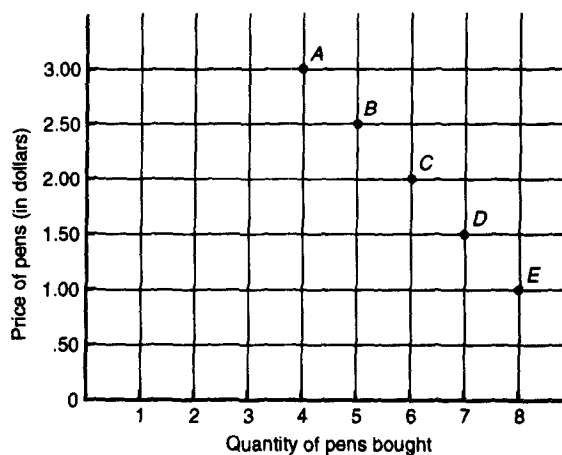
**(c) Coordinate system**

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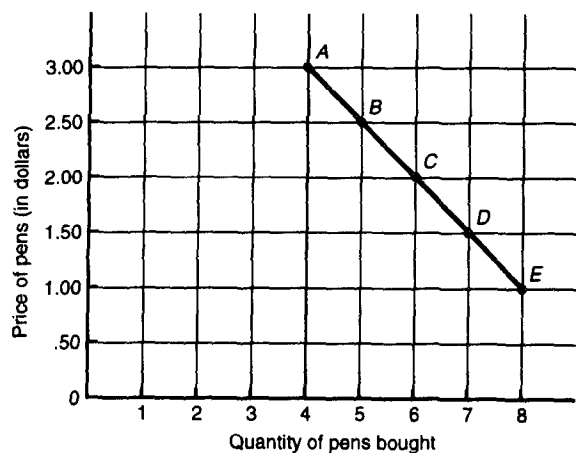
## A Table and Graphs Showing the Relationships between Price and Quantity (1-B2 a, b, c, and d)

Price of pens (in dollars)	Quantity of pens bought per day	Row
3.00	4	A
2.50	5	B
2.00	6	C
1.50	7	D
1.00	8	E

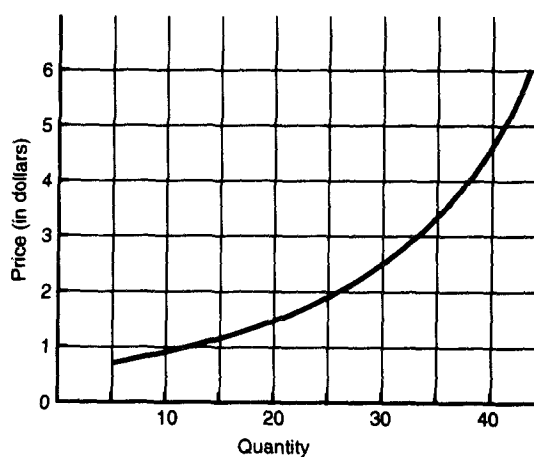
(a) Price quantity table



(b) From a table to a graph (1)

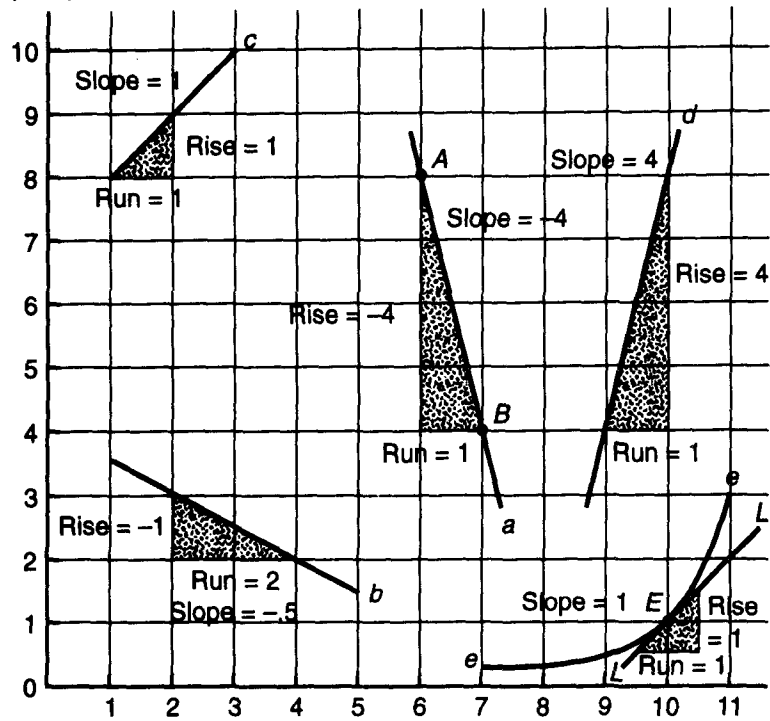


(c) From a table to a graph (2)



(d) Nonlinear curve

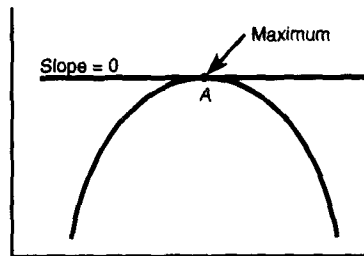
T-5  
Slopes of Curves (1-B3)



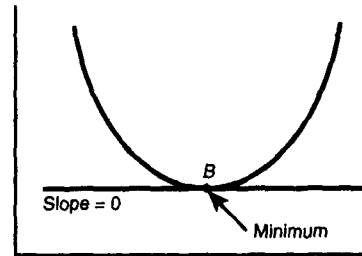
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T-6

**A Maximum and a Minimum Point (1-B4 a and b)**



(a) Maximum point



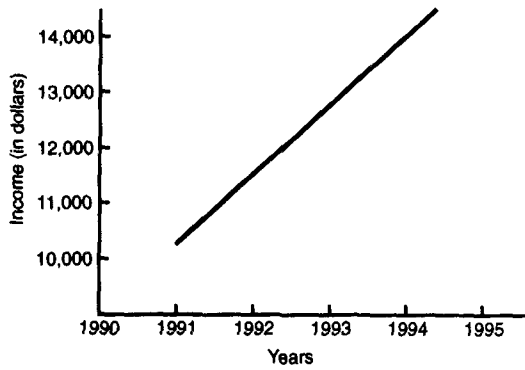
(b) Minimum point

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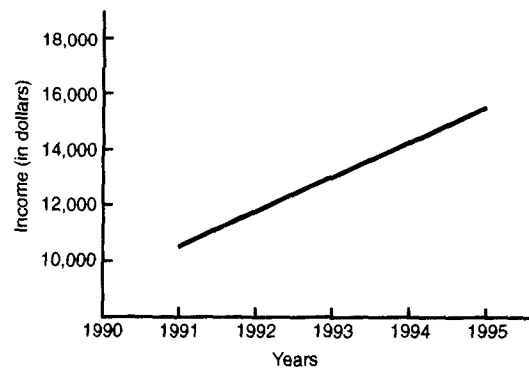
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T-7

The Importance of Scales (1-B6 a and b)



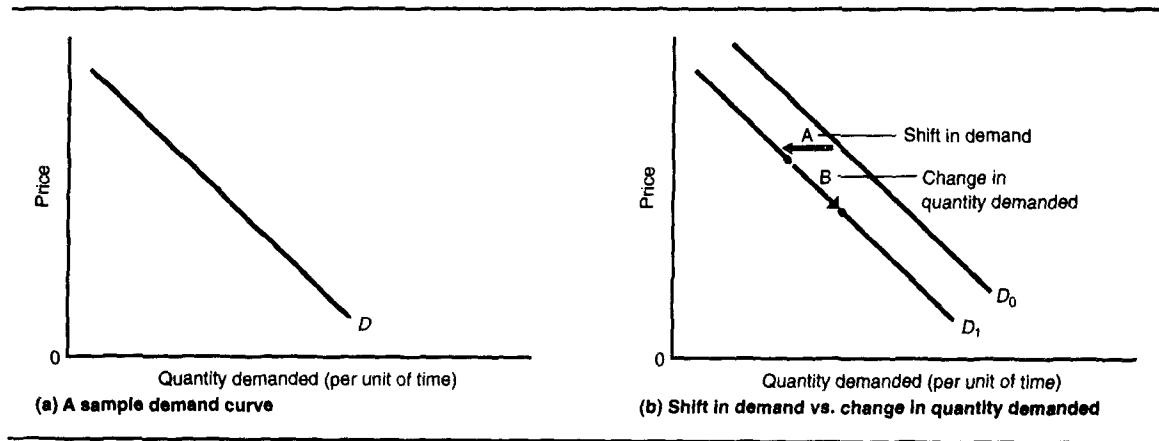
(a) Income over time (1)



(b) Income over time (2)

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**T-8**  
**Demand Curves (2-1 a and b)**



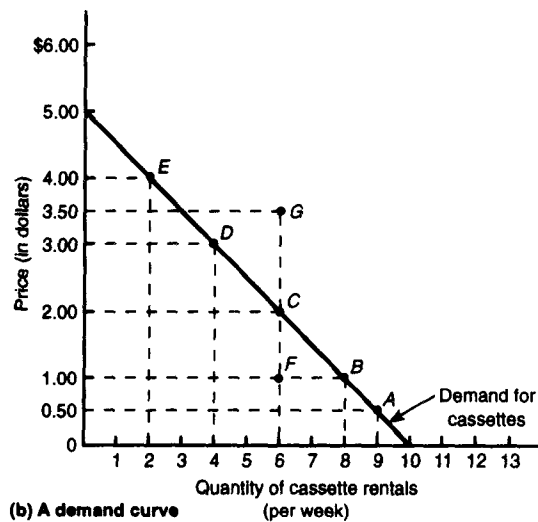
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# T-9

## From a Demand Table to a Demand Curve (2-2 a and b)

	Price (in dollars)	Cassette rentals demanded per week
A	0.50	9
B	1.00	8
C	2.00	6
D	3.00	4
E	4.00	2

(a) A demand table



(b) A demand curve

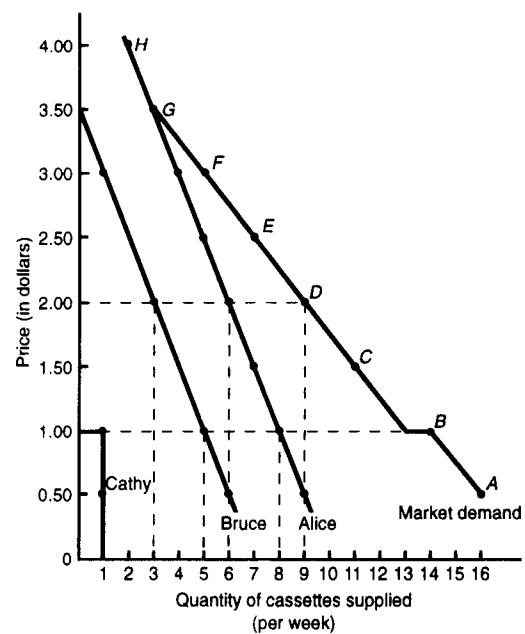
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T-10

From Individual Demands to a Market Demand Curve (2-3 a and b)

	(1)	(2)	(3)	(4)	(5)
	Price (in dollars)	Alice	Bruce	Cathy	Market demand
A	0.50	9	6	1	16
B	1.00	8	5	1	14
C	1.50	7	4	0	11
D	2.00	6	3	0	9
E	2.50	5	2	0	7
F	3.00	4	1	0	5
G	3.50	3	0	0	3
H	4.00	2	0	0	2

(a) A demand table

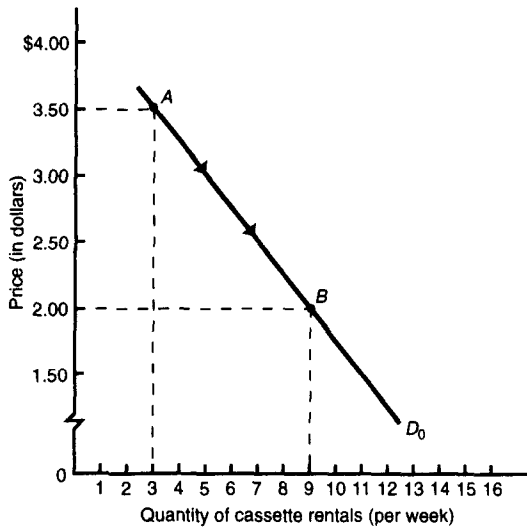


(b) Adding demand curves

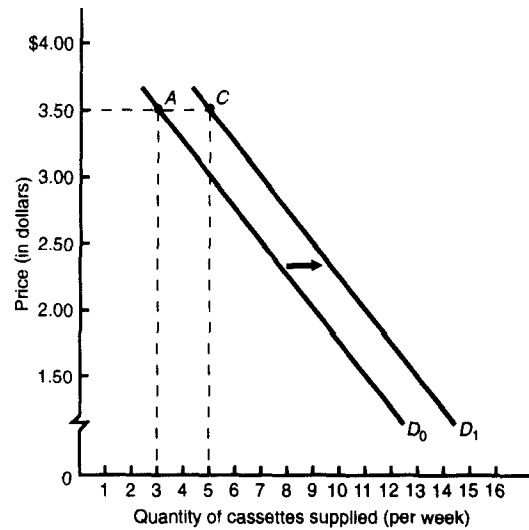
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## Shifts in Demand versus Movement along a Demand Curve (2-4 a and b)



(a) Movement along a demand curve



(b) Shift in demand