

APPLYING ECONOMIC PRINCIPLES



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Why Study Economics?

Economics has become an increasingly important high school course in recent years. This is partly because many people believe America as a nation will be better off if we all understand how our economy works. Another reason is this: If you understand how the economy works, you personally will be better off too.

All of us live in the economy, and we all must make economic choices. You will soon discover that you have been making economic choices all your life—even when you haven't thought of them as such. As you study economics, you will learn to make these decisions using logic and common sense. This does not have to be difficult, and it can be very interesting. It can also be profitable. The more you know about economics, the better equipped you will be to make choices that bring you the most satisfaction for your time and money.

How to Use This Book

This book will help you understand how economics and your life fit together. It is designed to do this in a way you will find easy to understand. The following features are especially important in using this book.

The Personal Narrative

Each chapter is divided into sections that begin with a Personal Narrative. The Personal Narratives are made-up stories that describe people who are roughly your age. The people in these stories experience problems that could be real. As you read the Personal Narratives, you will discover that principles of economics are at work in important events in the lives of these people. The same principles of economics also affect important events in your life.

Following each Personal Narrative is a section of text that explains the concepts that were demonstrated in the Personal Narrative. Together, the text and the Personal Narratives show how economics is a part of your everyday life. You'll find that the study of economics will help you understand what is happening in the world around you and will assist you in making better decisions.

Section-by Section Organization

This textbook is organized in sections, to enable you to concentrate on important individual principles. The list of Objectives at the beginning of each chapter shows the main principles to look for in each section. At the end of each section, the Self-Check questions help you briefly review what you have learned. The Applying What You Have Learned questions give you an opportunity to reexamine the Personal Narrative and other real-world situations.

Current Economic and Consumer Issues

Near the end of each chapter, you will find either a Current Economic Issue or a Current Consumer Issue. Current Economic Issues deal with economic questions that face the nation. As elected officials address each issue, their decisions will affect every American. Current Consumer Issues will likely affect you directly as you participate in making consumer choices. As you study such issues, you will discover that many problems of economics involve social and political values. That is one reason why people often disagree over what should be done to solve economic problems.

Developing Your Economic Skills

At the very end of each chapter, you will find a Developing Your Economic Skills feature. Each of these features gives step-by-step instructions on how to use a particular kind of skill that is important in economics. For example, one skills feature will show you how to read a table; another will show you how to interpret a bar graph. Each feature has a Skill explanation, an Application, and a Practice to give you hands-on experience in using the skill. Your teacher may ask you to study a particular skills feature when you first read the chapter or as a reference to review that particular skill.

Photographs and Figures

There are many photographs, tables, and graphs in this book. Each was included to illustrate one or more economic concepts. You have heard the saying, "one picture is worth a thousand words." The same is true of these figures. They provide information that would often take many written pages to communicate.

Each photograph is accompanied by a caption that explains a concept of economics. Each figure is explained in nearby text. Take the time to read these captions and explanations. They will make your work much easier in this course and in many other situations in the future.

Highlighted Vocabulary Terms

At the beginning of each section is a short statement of important terms and concepts that you will find in the section. Within the section itself, you will see that some terms are set in a heavy, dark type—these are the most important vocabulary terms. These terms are defined in the Glossary at the end of the book and are reviewed in each Chapter Review. As you read the text, if you forget exactly what a particular economic term means, look it up in the Glossary. The Glossary will define the term, and give you a page number where you can read more about it in the text.

Review Activities

Each chapter and part of the text is followed by a series of activities. All of these Activities will help you check your understanding of economic concepts. Many provide you with additional information. Some give you a chance to apply what you have learned about economics to new situations. Your teacher will probably assign some of these activities as classwork or homework. Don't be surprised if sometimes different students are assigned different activities. There is a wide selection of things to do, and your teacher has been trained to decide which are best for each student.

You may know little about economics right now. If you make a reasonable effort, that statement will not be true in a few months. You will discover that there is a logic about economics that tells you much about the way people behave and about the way things happen in the world. In learning those things, you will learn much that is valuable to you in your everyday life.

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