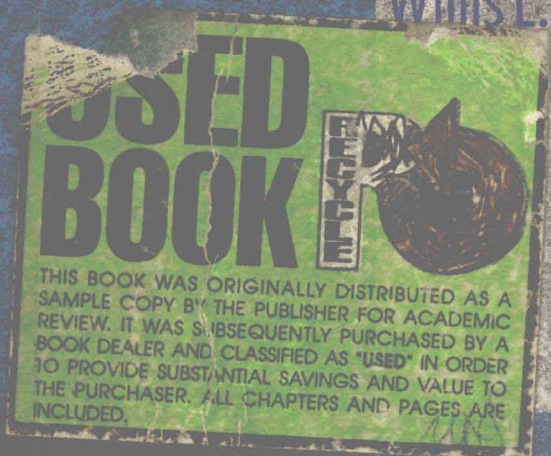


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Principles  
of Economics

Willis L. Peterson



IMacro

# ***Principles of Economics*** ***MACRO***

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***Willis L. Peterson***  
*University of Minnesota*

*Eighth Edition*

***IRWIN***  
*Homewood, IL 60430*  
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# *Suggestions for Study*

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The social science called economics is commonly divided into two major subject matter areas: macro and micro. Macroeconomics, the topic of this book, deals mainly with the problems of unemployment and inflation: What causes these problems, and what can be done to mitigate or avoid them. In addition some related topics are covered at the end of the text. These include income redistribution and poverty programs, international trade and exchange rates, and economic growth and development. The latter areas focus mainly on the international economy. Microeconomics, covered in the companion micro text, deals largely with the spending decisions of households, the production decisions of business firms, and how prices and wages are determined in the product and resource markets.

The general objective of this text is to introduce you to the most important concepts in microeconomics, and to help you develop your skills in using these concepts to answer economic questions or make economic decisions. In other words, major emphasis is on concepts and their applications, as opposed to factual or descriptive material.

To gain a good understanding of the material and to do well in the course, the following procedure is recommended. First read the assigned chapter thoroughly. Don't try to speed-read as you would a magazine or a novel. The chapters are rather compact; most are designed to be read in 45 minutes to an hour. But each is packed with ideas or concepts. So take your time. After completing the reading of each chapter, read the summary paragraph at the end. This will give you an overview of the main ideas presented. Then look at the "You Should Know" items. Treat each one as a question. If there are some you cannot answer, refer back to the appropriate page to find out the answer. Then answer the end-of-chapter self-test questions without looking back at the material. Write your responses on a separate sheet so that you can go back over these questions later when preparing for an exam without being distracted by your first responses. Your instructor has the key to the self-tests. How you do on the self tests should be a good indication of your performance on in-class exams. Good luck and enjoy your exploration into economics.

# ***Principles of Economics*** ***MACRO***

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