

ECONOMICS: PRIVATE AND PUBLIC CHOICE

经济学：私人与公共选择

詹姆斯·D·格瓦特尼(James D. Gwartney)

理查德·L·斯特鲁普(Richard L. Stroup)

卢瑟尔·S·索贝尔(Russell S. Sobel)

第九版

CFA系列

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经济学：私人与公共选择（第九版）

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金融分析师的知识、经验与机遇

在过去的十年里，中国资本市场经历了从起步到快速成长的阶段，今天它已发展成为国民经济中引人瞩目的重要行业。在新世纪来临之际，世界经济向全球化、信息化和金融化方向发展，中国已加入WTO，使我国的资本市场以及各个经济领域面临着又一次重大的挑战与机遇。中国的资本市场，无论在规模或规范化方面与世界上发达的金融市场还有很大的差距，随着资本市场的扩容，它的复杂性增加，需要研究的问题也越来越多。例如，培育机构投资人，提高资本市场有效性；开放式基金管理；创业板市场设立与运作，国有股、法人股流通；保险基金与养老基金管理；商业银行股份化及资产证券化运作；股票指数期货等金融衍生工具的引入及其在风险管理中的应用等。这一切都需要大批掌握国际惯例的人才，中国资本市场的规则最终要与世界接轨，越来越多的金融市场从业人员也需要加强培训和提高素质。中国的资本市场又有着它自身的规律和发展道路，必须结合国际的经验和中国的实情加以研究。

展望未来资本市场发展面临的机遇和挑战，我们首先应该大力加强国内外资本市场理论与实际的研究，大力培养既掌握国际先进金融知识又谙熟中国商品经济特殊规律的金融人才，提高行业的整体水平。“特许金融分析师”是我们应采纳的一个严格的国际行业规范，它是全球通行的、最权威的金融市场专业人员的资格认证，创办于1960年代初，近年来这一资格已越来越广泛地成为全球投资银行家、证券交易人员、公司财务总监等金融业内人士的公认的最高行业从业标准。CFA®的课程设置和考试内容深深植根于投资管理的实践，涉及丰富的金融投资有关学科的基础知识，并且随着金融市场的发展而不断发展，以反映最新的投资领域的变化。我们应尽最大的努力在我国普及CFA®知识并研讨建立我国自己的资格认证体系，为我国资本市场的进一步发展、规范与国际化做出贡献！

提到高素质的金融人才，许多人认为只有基金管理公司最需要这类的人才，实际上其它的金融机构也大量需要投资管理方面高素质的专业人才。证券公司、保险公司、银行、资产管理公司，上市公司等其它金融机构都亟需投资管理的精英人才。我国的证券市场，无论是一级市场还是二级市场都存在着制度上的缺陷。政策惯性虽然存在，股票发行的核准制毕竟已经实施，债券发行也必将由审批制转为考核制。发行已经市场化，如果拟发行股票或债券的企业质量不高，定价又不合理，承销商将面临发行不成功且不得不自己大量购进余额的尴尬境地。所以，在现实利益驱动下，承销商将逐渐重新定位自身的角色，将比任何时候都更需要致力于金融分析。在二级市场上，缺乏做空机制和避险工具，这使得一些券商和机构具有和某些市场力量结合，努力将市场推高的内在冲动。股指期货等避险工具正在设计之中，市场各方需要未雨绸缪，及早为今后的市场环境做好准备，这也需要有关的人才。

在保险业，不久前我国保险资金的运用渠道还只限于银行存款、政府债券、金融债券等，这对于保证保险资金的流动性和安全性固然十分重要，但是过于狭窄的保险资金运用范围，一方面限制了保险资金的盈利能力，使大量的长期资金不仅缺少投资途径，而且利率倒挂，另一方

面也造成相当大的潜在市场风险。因为银行存款、政府债券、金融债券之类高信用级别的债务都属于利率产品，一旦利率波动，保险企业风险很大。在国外保险资金一直是股市及证券市场的“主力军”，是资本市场最重要的参与者之一，西方保险企业主要靠投资组合实现保险资金的保值增值，弥补承保亏损，取得经营利润。由于投资作用的增强，使保险企业在偿付功能的基础上又增强了投融资功能，投资业务已成为与保险业务并重的两大主导业务之一。从发达国家的经验看，保险资金可以通过多种途径实现与资本市场的对接，如发行定向保险投资基金、进行资产委托管理、组建产业投资基金、深化债券投资组合等。保险资金的投资需求与证券市场的融资需求形成一种互动互补的关系，保险资金已经成为影响资本市场的一支举足轻重的力量。保险资金的大规模入市和保险基金的设立势在必行，兼具保障与投资功能的投资型保险也必将成为未来中国寿险市场的主导产品，这意味着保险竞争将从传统的价格竞争转变到保险公司投资管理水平的竞争，保险业的发展进入新时代，所以投资决策与管理人才对于保险公司来说，事关成败兴衰。

我国加入WTO后，商业银行目前可谓处于极大的被挑战境地，为了生存银行将不得不全力开拓新的利润增长点。现在商业银行除了在证券代理业务和基金托管业务方面介入证券市场外，更需要下大力气在财务顾问和个人理财两大领域开创新的利润来源。银行可为企业资产重组、兼并收购提供咨询、资金融通，并开展或与证券公司合作开展企业境内改制上市业务。个人理财的需求也在不断增长，目前市场上个人理财产品不断涌现，但这些新的产品在研究和探讨个人的投资理财心理、动机、行为等方面，与客户个人资产达到保值增值方面的需求尚有较大差距。因此，随着同业竞争的加剧和客户需求的提高，商业银行要在竞争中保持优势，需要网罗大量的金融分析和金融工程人才。

除此之外，要处理大量不良资产、开展资产证券化的资产管理公司，信用评级、金融中介等其它金融机构都从整个市场的角度提出了对高素质金融专业人士的要求。近来国内、国际金融机构和上市公司造假事件频频发生，信用危机弥漫在世界主要的金融市场中，严肃的监管者在忙于修订规则，重建金融市场的信用，恢复投资人的信心，在这个时候，市场召唤一大批高资质的、具备最新投资分析的知识、高度的职业伦理道德，并富有实践经验的金融分析师。

CFA®系列丛书代表着国际最新的投资领域知识，也是报考CFA®的指定参考书。相信这套丛书的出版能为我国金融体制和资本市场的发展起到重要的推动作用！

北京大学光华管理学院
金融分析师中心主任
孟庆轩

P R E F A C E

We are dogmatic about some things. *We believe that a course on economics principles should focus on the power and relevance of the economic way of thinking.* It is this belief and corresponding writing approach that have made *Economics: Private and Public Choice* one of South-Western's most solid and enduring texts—a cornerstone of its economics program for more than 25 years. With the eighth edition having sold more copies than any prior edition, our commitment to this approach is strengthened.

While models, formulas, and mechanical exercises can be helpful, they should be viewed as tools. In a principles course, they are secondary to the development of the economic way of thinking. Throughout this text, we integrate applications and real-world data in an effort to make the basic concepts of economics come alive for the reader. The book's exercises, testing questions, and even the PowerPoint package developed for this edition are designed to encourage and promote economic reasoning.

The study of economics does not have to be either difficult or "watered down." *Economics: Private and Public Choice* is a comprehensive text, rich in detail. But it is written with the student in mind. We have avoided abstractions and mechanical exercises that stress obscure details rather than basic concepts. The primary objective of our writing style is clarity. We have worked hard to make the material as clear as possible. Examples, illustrations, and visual aides are used to reinforce basic concepts. Simplicity, however, is not substituted for depth. Rather, our aim is to highlight the power, accessibility, and relevance of economic concepts.

This is an exciting time to study economics. More than ever before, the world is characterized by dynamic change, instant communication, and interaction between people in different nations. New products and technologies are constantly replacing the old ways of doing things. In fact, sometimes new products become obsolete just a few years after they are introduced. How will these developments affect your life? What will the U.S. economy be like ten or twenty years from now? Why has the U.S. economy experienced persistent growth during the last 16 years? Why do some countries prosper while others regress? As we proceed, we will use the tools of economics to address these and many other important issues that affect us so dramatically.

CHANGES IN THE NINTH EDITION

A noteworthy change with this edition is the inclusion of new coauthor Russell S. Sobel of West Virginia University. For the better part of a decade, Professor Sobel has contributed significantly to the development and improvement of both *Economics: Private and Public Choice* and its ancillary package. We are convinced that his contributions will continue for many years to come.

To the text itself, we have made a number of structural changes that make this edition more flexible and user-friendly. Additionally, the supplements for this edition—both print and electronic—have been markedly improved. (Please review the “Supplementary Materials” section later in this preface to learn about these exciting new enhancements.) Important changes to the textbook follow:

DIVISION INTO “CORE” CHAPTERS AND “SPECIAL TOPIC” APPLICATIONS

The core chapters found in this edition cover all of the material taught in most principles courses and they are presented in the usual manner. Examples and data from the real world are used to reinforce the analysis. In addition, the final part of the text (Applications and Special Topics), contains a number of short features on high-profile topics. The applications are crisp and clearly focused—about one-third the length of a chapter. They are designed for coverage in a single class period. These features provide a solid foundation for discussing important topics such as the stock market, the future of social security, the impact of unions, welfare reform, natural resources, and environment protection. Instructors stressing applications may choose to build their course around Parts 1 and 2, plus the final part, “Applications and Special Topics.” Others may want to use several of the applications to buttress various points as they progress through the core material, or they may want to combine the applications and chapters for the purpose of teaching a survey course. Still others—particularly those teaching honors classes—may want to use the applications as the focal point for special projects or classroom debates. The format of this edition provides each instructor with maximum flexibility. Directly following this preface, you will find some sample course outlines with suggestions for the integration of these applications.

A MORE VISUAL TEXTBOOK

Today's students read less, but they are better prepared to learn from the superior visual aides and technologies that we can now offer them. Accordingly, we have reduced the number of words in this edition by about 10 percent—taking care to not omit important material or oversimplify the analysis. Illustrative graphics, diagrams, pictures, cartoons, and other visual aides are frequently used to highlight the content and reinforce important points. An example of this is the feature on “Facts and Figures of Government” between Chapters 5 and 6. Rather than using 8 to 10 text pages to present this material as in the last edition, the ninth edition uses graphs and pictures with brief descriptions to illustrate the major points. You will notice that the part openers in the text have also been given special treatment. Each is a photo/graphical montage intended to pique the student's curiosity about the material that follows. You will notice that the end-of-chapter summary paragraphs have been rewritten into point-by-point “key topic” lists. The new format helps students immediately recognize the most important aspects of each chapter, making for easier student review.

MORE SUPPLY AND DEMAND

Following Chapter 3 on supply, demand, and the market process, we have added a new chapter on applications and extension of the supply and demand model. Instructors tell us that they are using supply and demand more and more to address topics of interest to students. This is precisely what Chapter 4 does. Fun topics integrated into this chapter include black markets, illegal drug trade, rent controls, the minimum wage, actual versus statutory tax incidence, and the Laffer curve.

THE ROLE OF GOVERNMENT AND COLLECTIVE CHOICE

While Chapters 3 and 4 focus on markets, Chapters 5 and 6 analyze the functions and operations of government. These two chapters focus on the protective role of government, why governments are often involved in the provision of public goods, and how the political process actually works. This material consolidates four chapters from the last edition. Regardless of the emphasis placed on the public choice approach, we believe that Chapters 5 and 6 add an important dimension to an economics course. This material will enliven a principles course, while enhancing student understanding of the real world and some of its imperfections. Taken together, the four chapters in Part 2 provide a solid foundation for the topics covered throughout the remainder of the text.

CORE MACRO

As in the past, our approach to macro highlights the role of and interaction among markets. In this edition, the foreign exchange market is explicitly included in the initial development of the aggregate demand/aggregate supply model. This approach makes it easier to visualize both (a) the role of exchange rates in the coordination of trade and capital flows and (b) the impact of trade and capital flows on the major macroeconomic markets. Chapter 15 on economic stabilization has been extensively revised. The importance of economic growth is stressed throughout the macro section. Chapter 16 focuses on current debates in growth theory while highlighting the importance of institutions and policies that most economists agree influence growth. Both inputs (labor and capital) and a positive political environment (secure property rights, predictable regulatory structure, monetary and price stability, and the openness of an economy) are stressed as being key to long-term economic growth.

CORE MICRO

Our approach to microeconomics continues to highlight the importance of information supplied by markets, competition as a process, and the role of entrepreneurship. The micro section has been streamlined. The core micro contains only nine chapters, two fewer than in the last edition. Five of the chapters focus on product markets, three on resource markets, and one on income differences and poverty. Several of the applications in the final part of the text—for example, the ones on regulation, unionization, welfare reform, natural resources, and environment economics—provide supplementary material for the core micro.

ORGANIZATIONAL FEATURES

We have employed several organizational features designed to make the presentation both more interesting and more understandable.

1. **Myths of Economics.** In a series of boxed articles, commonly held fallacies of economic reasoning are dispelled. Each myth is followed by a concise explanation of why it is incorrect, and each one is presented within a chapter containing closely related material.
2. **Applications and Measures in Economics.** The application boxed features apply economic theory to real-world issues and controversies. The measures explain how important economic indicators such as the unemployment rate and the index of leading indicators are assembled.

3. **Chapter Focus Questions and Closing “Key Point” Summaries.** Each chapter begins with several questions that summarize the focus of the chapter. Following the end of each chapter is a Key Points section that provides the student with a concise statement of the material (chapter learning objectives). Reviewing the focus questions and these concise Key Points will help the student better understand the material and integrate it into the broader economic picture.
4. **Key Terms.** The terminology of economics is often confusing to introductory students. Key terms are introduced in the text in bold type; simultaneously, each term is defined in the margin opposite the first reference to the term. A glossary containing the key terms also appears at the end of the book.
5. **Critical Analysis. Questions** Each chapter concludes with a set of discussion questions and problems designed to test the student’s ability to analyze economic issues and to apply economic theory to real-world events. Appendix B at the end of the text contains suggested answers for approximately half of the critical analysis questions. We think these answers, illustrating the power of economics, will interest students and will help them develop the economic way of thinking.

SUPPLEMENTARY MATERIALS

Wall Street Journal Edition. Instructors can enhance the real-life applications in the text by ordering *The Wall Street Journal* Edition of the textbook instead of the regular textbook. This special edition of the textbook is the same as the standard edition but includes a discounted 20-week *Wall Street Journal* subscription for students. Professors get a free subscription when 10 or more of their students order the *Journal*. *The Wall Street Journal* provides a nice tie-in with the text, since new examples of economic principles can be found in each day’s paper. Students can activate their subscriptions by simply completing and mailing the business reply card found in the back of the book. Instructors interested in finding out more about this program can contact their sales representative or simply call 800-782-4479. This option is available for both the hard-cover version of the book and paperback splits.

COURSEBOOKS

The Coursebooks for this edition were prepared by coauthor Professor Russell Sobel and are now available not in two, but three versions, covering all three courses: economics, microeconomics, and macroeconomics. The Coursebooks are more than study guides. Each includes numerous multiple-choice, true/false, and discussion questions permitting students to self-test their knowledge of each chapter. Answers and short explanations for most questions are provided in the back of the Coursebooks. Each chapter also contains problem and project exercises designed to improve the student’s knowledge of the mechanics. A set of short readings chosen to supplement the classroom teaching of important topics is also included. Like the textbook, the Coursebooks are designed to help students develop the economic way of thinking.

ECONACTIVE STUDENT-LEARNING CD ROM

Our new EconActive student-learning CD is html-based and very easy to use. Students will navigate through the software as effortlessly as they do a website. The CD ROM contain chapter-review sections, automatically graded practice quizzes,

“cyberproblems” that launch to the worldwide web, and more. It also includes interactive graphs, and graphing problems where students are required to give the correct answers by graphing the solutions. They are then given feedback when they draw the wrong solution. Like the Coursebook, the EconActive CD ROM is designed to help students develop the economic way of thinking within a multimedia environment.

TEST BANKS

The Test Banks for the ninth edition were prepared by David MacPherson of Florida State University. The two Test Banks contain approximately 7,000 questions—multiple-choice and short answer—most of which have been class tested. Within each chapter, the questions correspond to the major subheadings of the text. The first ten questions of each chapter are suitable for use as a comprehensive quiz covering the material of the chapter.

COMPUTERIZED TEST BANKS

The computerized Test Banks for this edition have been enhanced significantly. EXAMaster99 includes a more intuitive graphic interface, increased test sizes of up to 500 questions, the capacity to create up to 99 versions of any one test, on-line testing and grade-book keeping, and many more features. The new software is now available on CD ROM in Windows and Macintosh formats. A more detailed explanation of the enhancements of EXAMaster99 can be found at the front of the Instructor's Manual accompanying this text.

POWERPOINT CD-ROM

Prepared by David MacPherson, Chuck Skipton, and James Gwartney, we believe our PowerPoint presentation is the best you will find in the principles market. The new package provides chapter-by-chapter lecture notes with fully animated slides of the textbook's exhibits. The dynamic slides and accompanying captions make it easy for instructors to present (and students to follow) sequential changes. The dynamic graphics are also used to highlight various relationships among economic variables. In order to facilitate discussion and interaction, questions designed to help students develop the economic way of thinking are strategically located throughout each chapter. We have used the material in our own classes and can assure you that students find this method of presentation both enjoyable and helpful. As the graphics are built step-by-step, the accompanying dialogue guides the student through the underlying economic analysis. Economic principles are developed rather than merely portrayed. This makes it so much easier to visualize relationships.

Instructions explaining how professors can easily add, delete, and modify slides in order to tailor-make the presentation to their liking are included with the PowerPoint CD-ROM. If instructors want to make the PowerPoint presentation available to students, they can place it on their web site (or the site for their course). It is also available on the web site for this text at <http://gwartney.swcollege.com> and on the EconActive Student-Learning CD ROM. The PowerPoint package also includes self-test quizzes covering the major concepts of each chapter. This is a powerful teaching tool that will both attract student interest and enrich the learning process.

POWERPOINT LECTURE NOTES

For years, we have encouraged students to think rather than focus on note-taking in our classes. It was a hard sell—many feel uncomfortable if they are not developing a set of notes. This booklet contains the PowerPoint slides (both the notes and graphics), along with space for additional note-taking next to each slide. This supplement permits students to focus on the classroom activities while providing them with confidence that they have an excellent set of notes for future reference. Professors who choose to customize their PowerPoint presentations and would like to do the same with their accompanying customized printed lecture notes can do so via Harcourt's custom publishing program. Visit www.harcourtcollege.com/custom for more information. Once at the Website, you can locate your area's custom publishing representative by clicking the "Contact Us" icon.

WEB-BASED COURSE MANAGEMENT SOFTWARE

Harcourt now offers instructors html-based software to help them build web-based learning sites for their students. This software can be utilized by nontechnical users to create entire web-based courses, or simply to post office hours or supplementary course materials for students. Instructors can design websites that provide a full array of educational tools, including communications with their students, web testing, student grade tracking with access control, database collaboration and searching, and more. It is free of charge to adopters. For more information, call your South-Western representative.

WEB SITE

Resources for instructors and students, including the PowerPoint slides and Instructor's Manual, can be found at <http://gwartney.swcollege.com>. Students will find there chapter-by-chapter links to economic Internet sites, automatically graded practice quizzes, PowerPoint slides for their review, sample chapters from the study guide and EconActive CD ROM, and other resources. Career listings for students, leading economic-indicator information, and an economic URL database can be found at www.dryden.com. Because the Internet has become so integral to learning and to our lives, you will notice bound into this book a quick Internet reference card listing important URLs. We hope you and your students find it useful and tear it out for your reference.

INSTRUCTOR'S MANUAL WITH CLASSROOM GAMES

The Instructor's Manual was also prepared by David MacPherson. Instructions and information on how to use and modify the PowerPoint material is contained in the front of the manual. Also included at the front of the manual is information on the enhancements to the new EXAMaster99 testing software. The remainder of the manual is divided into three parts. The first part is a detailed outline of each chapter in lecture-note form. It is designed to help instructors organize and structure their current lecture notes according to the format of the ninth edition. Instructors can easily prepare a detailed, personalized set of notes by revising the computerized form of the notes. The second part of the Instructor's Manual contains teaching tips, sources of supplementary materials, and other helpful information. Part 3 provides instructors with in-class games designed to illustrate and enliven important economic concepts. Contributed in part by Professor Charles Stull of Kalamazoo College, the games are an enormously popular feature with instructors. We hope you will try them. We believe you will find them extremely useful for classroom learning.

INSTRUCTOR'S CD ROM

For the first time, the instructor's supplements accompanying this textbook are now conveniently available on one CD ROM. Included on the CD ROM are the PowerPoint slides, Instructor's Manual, and Test Banks. The CD ROM also displays a navigation bar, allowing professors to easily search among the microeconomics and macroeconomics versions of the supplements.

COLOR TRANSPARENCIES

Color transparencies of the major exhibits of the ninth edition have been prepared for use with overhead projectors. They are available to adopters upon request in sets for microeconomics and macroeconomics.

South-Western will provide complimentary supplements or supplement packages to those adopters qualified under our adoption policy. Please contact your sales representative to learn how you may qualify.

ACKNOWLEDGMENTS

A project of this type is a team effort. Several people contributed substantially to the development of this edition.

We would like to express our appreciation to David MacPherson, who prepared both the Test Banks and Instructor's Manual for this edition. He also directed the development of the PowerPoint slides and assisted us in numerous other ways. We are also indebted to Chuck Skipton who put in numerous hours programming the animation for the PowerPoint slides. Together MacPherson and Skipton have developed what we believe to be the very best PowerPoint materials accompanying a principles text.

In the past, Woody Studenmund of Occidental College prepared the Coursebook and Gary Galles of Pepperdine University coauthored the Instructor's Manual. Both of these supplements still bear the imprint of their contribution. Through the years, numerous people have supplied us with quality questions for the Test Banks. We would like to acknowledge specifically the contributions of J. J. Bethune, University of Tennessee—Martin; Edward Bierhanzl, Florida A&M University; Tim Sass, Florida State University; and Woody Studenmund. Both Amy Gwartney and Kathy Makinen helped with the proofing and provided assistance in several other areas.

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A NOTE TO STUDENTS

This text contains several features that we think will help you maximize (a good economic term) the returns derived from your study effort. Our past experience indicates that awareness of the following points will help you to use the book more effectively.

- Each chapter begins with a series of focus questions that communicate the central issues of the chapter. Before you read the chapter, briefly think about the focus questions, why they are important, and how they relate to the material of prior chapters.
- The textbook is organized in the form of an outline. The headings within the text (highlighted with a color background) are the major points of the outline. Minor headings are subpoints under the major headings. In addition, important subpoints within sections are often set off and numbered. Bold italicized type is used to highlight material that is particularly important. Sometimes thumbnail sketches are included to help the reader better organize important points. Careful use of the headings, highlighted material, and the thumbnail sketches will help you master the material.
- A “Key Points” summary appears at the end of each chapter. Use the summary as a checklist to determine whether you understand the major points of the chapter.
- A review of the exhibits and illustrative pictures will also provide you with a summary of the key points of each chapter. The accompanying legend briefly describes the content and analysis of each feature.
- The key terms introduced in each chapter are defined in the margins. As you study the chapter, go over the marginal definition of each key term as it is introduced. Later, you may also find it useful to review the marginal definitions. If you have forgotten the meaning of a term introduced earlier, consult the glossary at the end of the book.
- The boxed features provide additional depth on various topics without disrupting the flow of the text. In general, the topics of the boxed features have been chosen because of their relevance as an application of the theory or because of past student interest in the topic. Reading the boxed features will supplement the text and enhance your understanding of important economic concepts.
- The critical analysis questions at the end of each chapter are intended to test your understanding of the economic way of thinking. Solving these questions and problems will greatly enhance your knowledge of the material. Answers to approximately half of these questions are provided in Appendix B.

If you need more practice, be sure to obtain a Coursebook and solve the questions and problems for each chapter. The Coursebook also contains the answers to the multiple-choice questions and a brief explanation of why an answer is correct (and other choices incorrect). In most cases, if you master the concepts of the test items in the Coursebook, you will do well on the quizzes and examinations of your instructor. For extra help utilizing multimedia tools, obtain a copy of the book's EconActive Student-Learning CD ROM or go to <http://gwartney.swcollege.com>, where you will find practice quizzes and PowerPoint reviews of each chapter. If your bookstore doesn't carry the Coursebook or the EconActive CD ROM, you can order them by calling 800-782-4479.

Suggested Outline for the **CORE**
MICROECONOMICS
COURSE

Chapter 1	The Economic Approach
Chapter 2	Some Tools of the Economist
Chapter 3	Supply, Demand, and the Market Process
Chapter 4	Supply and Demand: Applications and Extensions
Chapter 5*	The Economic Role of Government
Chapter 6*	The Economics of Collective Decision Making
Chapter 19	Demand and Consumer Choice
Chapter 20	Costs and the Supply of Goods
Chapter 21	Price Takers and the Competitive Process
Chapter 22	Price-Searcher Markets with Low Entry Barriers
Chapter 23	Price-Searcher Markets with High Entry Barriers
Chapter 24	The Supply of and Demand for Productive Resources
Chapter 25	Earnings, Productivity, and the Job Market
Chapter 26	Investment, the Capital Market, and the Wealth of Nations
Chapter 27	Income Inequality and Poverty

Related Applications

Application 1	Labor Markets and Unemployment: A Cross-Country Analysis
Application 4	Social Security: The Nature of the Problem and the Alternatives For Dealing With It
Application 5	The Stock Market: What Does It Do and How Has It Performed?
Application 6	How Does Government Regulation Affect Your Life?
Application 7	Income Inequality, Transfers, and the Role of Government
Application 8	Do Labor Unions Increase the Wages of Workers?
Application 9	Natural Resources and the Future
Application 10	Economics and the Environment

**Indicates a chapter that can be omitted without disrupting the flow of the material.*

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Chapter 7	Taking the Nation's Economic Pulse
Chapter 8	Economic Fluctuations, Unemployment, and Inflation
Chapter 9	An Introduction to Basic Macroeconomic Markets
Chapter 10	Working with Our Basic Aggregate Demand/Aggregate Supply Model
Chapter 11*	Keynesian Foundations of Modern Macroeconomics
Chapter 12	Fiscal Policy
Chapter 13	Money and the Banking System
Chapter 14	Modern Macroeconomics: Monetary Policy
Chapter 15	Stabilization Policy, Output, and Employment
Chapter 16	Economic Growth
Chapter 17	Gaining From International Trade
Chapter 18	International Finance and the Foreign Exchange Market

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