

Brief Contents

Part I Introduction 1

- 1 Ten Principles of Economics 3
- 2 Thinking Like an Economist 19
- 3 Interdependence and the Gains from Trade 47

Part II How Markets Work 63

- 4 The Market Forces of Supply and Demand 65
- 5 Elasticity and Its Application 89
- 6 Supply, Demand, and Government Policies 111

Part III Markets and Welfare 133

- 7 Consumers, Producers, and the Efficiency of Markets 135
- 8 Application: The Costs of Taxation 155
- 9 Application: International Trade 171

Part IV The Data of Macroeconomics 193

- 10 Measuring a Nation's Income 195
- 11 Measuring the Cost of Living 217

Part V The Real Economy in the Long Run 233

- 12 Production and Growth 235
- 13 Saving, Investment, and the Financial System 259
- 14 The Basic Tools of Finance 281
- 15 Unemployment 297

Part VI Money and Prices in the Long Run 319

- 16 The Monetary System 321
- 17 Money Growth and Inflation 345

Part VII The Macroeconomics of Open Economies 369

- 18 Open-Economy Macroeconomics: Basic Concepts 371
- 19 A Macroeconomic Theory of the Open Economy 395

Part VIII Short-Run Economic Fluctuations 417

- 20 Aggregate Demand and Aggregate Supply 419
- 21 The Influence of Monetary and Fiscal Policy on Aggregate Demand 457
- 22 The Short-Run Trade-off between Inflation and Unemployment 481

Part IX Final Thoughts 505

- 23 Six Debates over Macroeconomic Policy 507