CONTENTS

PART ONE: The Context for Economic Analysis

Chapter 0: Economics and Well-Being

Chapter 1: Economic Activity in Context
   1. Our Starting Point
   2. The Goals of an Economy
   3. The Issues That Define Economics
   4. Economic Tradeoffs

Chapter 2: Useful Tools and Concepts
   1. Our Tools for Understanding
   2. Different Economic Theories: Examples of Two Basic Models
   3. The Three Spheres of Economic Activity

Chapter 3: Markets and Society
   1. Three Definitions of Markets
   2. The Institutional Requirements of Markets
   3. Types of Markets
   4. Advantages And Limitations of Markets

PART TWO: Basic Economic Analysis

Chapter 4: Supply and Demand
   1. Introduction to the Microeconomic Market Model
   2. The Theory of Supply
   3. The Theory of Demand
   4. The Theory of Market Adjustment
   5. Topics in Market Analysis
Chapter 5: Elasticity
1. The Price Elasticity of Demand
2. The Price Elasticity of Supply
3. Income Elasticity of Demand
4. Income and Substitution Effects of a Price Change
5. Short-Run versus Long-Run Elasticity

Chapter 6: Welfare Analysis
1. Welfare Economics
2. Consumer Surplus
3. Producer Surplus
4. Social Efficiency
5. Policy Inferences from Welfare Analysis

Chapter 7: International Trade and Trade Policy
1. Trade, Specialization, and Productivity
2. Gains from Trade
3. Drawbacks of Free Trade
4. Globalization and Policy
5. Conclusion: Free Trade and Fair Trade
Appendix: A Formal Theory of Gains from Trade

PART THREE: Economics and Society

Chapter 8: Economic Behavior and Rationality
1. Historical Perspectives on Economic Behavior
2. Modern Perspectives on Economic Behavior
3. Economic Behavior in Contextual Economics
4. Policy Inferences from our Model of Economic Behavior

Chapter 9: Consumption and the Consumer Society
1. Economic Theory and Consumption
2. Consumption in Historical and International Context
3. Consumption in a Social Context
4. Consumption in an Environmental Context
5. Consumption and Well-Being
Appendix: A Formal Theory of Consumer Behavior

Chapter 10: Markets for Labor
1. Economic Theory of Labor Markets
2. Explaining Variations in Wages
3. Contemporary Labor Issues and Policies
Appendix: A Formal Model of a Firm’s Hiring Decision
PART FOUR: Essential Topics for Contemporary Economics

Chapter 11: Economic and Social Inequality
   1. Defining and Measuring Inequality
   2. Inequality Trends and Further Considerations
   3. International Data on Inequality
   4. Causes and Consequences of Inequality
   5. Responding to Inequality

Chapter 12: Taxes and Tax Policy
   1. Economic Theory and Taxes
   2. The Structure of Taxation in the United States
   3. Tax Analysis and Policy Issues

Chapter 13: The Economics of the Environment
   1. The Theory of Externalities
   2. Valuing the Environment
   3. Environmental Policies in Practice

Chapter 14: Common Property Resources and Public Goods
   1. Goods other than Private Goods
   2. Artificially Scarce Goods
   3. Common Property Resources
   4. Public Goods
   5. Climate Change

PART FIVE: Resources, Production, and Market Organization

Chapter 15: Capital Stocks and Resource Management
   1. Capital Stocks
   2. Natural Capital
   3. Manufactured Capital
   4. Human Capital
   5. Social Capital
   6. Financial Capital
   7. Sustaining Capital Stocks

Chapter 16: Production Costs
   1. An Overview of Production
   2. Types of Production Costs
   3. The Production Function
   4. Production Costs
Chapter 17: Perfectly Competitive Markets
1. Understanding Market Power and Competition
2. Perfect Competition
3. Profit Maximization under Perfect Competition
4. Losses and Exit
5. Production, Efficiency, and Equity
Appendix: A Formal Model of Perfect Competition

Chapter 18: Markets with Market Power
1. The Traditional Models
2. Pure Monopoly: One Seller
3. Monopolistic Competition
4. Oligopoly
5. Market Power, Well-Being and Politics
Appendix: Formal Analysis of Monopoly and Monopolistic Competition

PART SIX: Macroeconomic Basics

Chapter 19: Introduction to Macroeconomics
1. What is Macroeconomics About?
2. Macroeconomic Goals
3. Macroeconomics and the Dynamics of Real-World Markets
4. Macroeconomics in Context

Chapter 20: Macroeconomic Measurement: The Current Approach
1. An Overview of National Accounting and Conventions
2. Defining Gross Domestic Product
3. Measuring Gross Domestic Product
4. Growth, Price Changes, and Real GDP
5. Savings, Investment, and Trade
Appendix: Chained Dollar Real GDP

Chapter 21: Macroeconomic Measurement: Environmental and Social Dimensions
1. Why GDP Is Not a Measure of Well-Being
2. A Broader View of National Income Accounts
3. Measuring Household Production
4. Accounting for the Environment
5. Conclusion: Measuring Economic Well-Being

Chapter 22: The Structure of the United States Economy
1. The Three Major Productive Sectors in an Economy
2. The Primary Sector in the United States
3. The Secondary (Industrial) Sector in the United States
4. The Tertiary (Service) Sector  
5. Concluding Thoughts

**Chapter 23: Employment, Unemployment, and Wages**  
1. Employment and Unemployment  
2. A Closer Look at Unemployment  
3. Theories of Employment, Unemployment, and Wages  
4. Special Issues of the 21st Century

**PART SEVEN: Macroeconomic Theory and Policy**

**Chapter 24: Aggregate Demand and Economic Fluctuations**  
1. The Business Cycle  
2. Macroeconomic Modeling  
3. The Keynesian Model  
4. Concluding Thoughts  
   Appendix: An Algebraic Approach to the Multiplier

**Chapter 25: Fiscal Policy**  
1. The Role of Government Spending and Taxes  
2. The Federal Budget  
3. Policy Issues  
   Appendix: More Algebraic Approaches to the Multiplier

**Chapter 26: Money, Banking, and Finance**  
1. Why Money?  
2. What Is Money?  
3. The Banking System  
4. The Financial System

**Chapter 27: The Federal Reserve and Monetary Policy**  
1. The Federal Reserve System  
2. Monetary Policy  
3. The Theory of Money, Interest Rates, and Aggregate Expenditure  
4. Monetary Policies in Practice  
5. Theories of Money, Prices, and Inflation  
6. Complications and Policy Controversies  
   Appendices

**Chapter 28: Aggregate Supply, Aggregate Demand, and Inflation: Putting It All Together**  
1. Aggregate Demand and Inflation  
2. Capacity and the Aggregate Supply Curve  
3. Putting the AD/AS Model to Work
4. Competing Theories  
Appendix: More Schools of Macroeconomics  

**Chapter 29: The Global Economy and Policy**  
1. Macroeconomics in a Global Context  
2. The Trade Balance: Completing the Picture  
3. International Finance  
4. Macroeconomics in an Open Economy  
5. International Financial Institutions  
Appendix: An Algebraic Approach to the Multiplier, in a Model with Trade  

**PART EIGHT: Macroeconomic Issues and Applications**  

**Chapter 30: Financial Instability and Economic Inequality**  
1. The 2007-2008 Financial Crisis  
2. A Broader Understanding of the Crisis  
3. The Creation of an Unequal Society  
4. Policies to Promote Financial Stability and Greater Equality  

**Chapter 31: Deficits and Debt**  
1. Deficits and the National Debt  
2. The U.S. National Debt: A Historical Perspective  
3. The Debt and its Links to Finance  
4. Political Economy of the Debt  
5. Deficit Projections and Potential Policy Responses  

**Chapter 32: How Economies Grow and Develop**  
1. Economic Growth and Development  
2. Economic Development in the World Today  
3. Twenty-First Century Reconsiderations of the Sources of Economic Growth  
4. Growth, Inequality, and Development  
5. Recent Perspectives and Sustainable Development Goals  
6. Different Kinds of Economies  

**Chapter 33: Growth and Sustainability in the 21st Century**  
1. Macroeconomics and Sustainability  
2. Major Environmental Issues  
3. Climate Change  
4. Economic Growth And The Environment  
5. Policies for Sustainable Development  
6. Concluding Thoughts