

Note on Differences: *Macroeconomics in Context* (Goodwin et al.) First Edition and Preliminary Edition

In moving from the Preliminary Edition to the First Edition, data in the text, tables, and figures have been updated and minor corrections have been made throughout. If you were one of the users of the earlier edition, you may also want to note the following changes that have been made in response to feedback from class testing.

In Chapter 1, formal definitions of unemployment and inflation and a Review Question on the “precautionary principle” have been added. The treatment of the PPF in Section 2 of Chapter 2 has been clarified and streamlined. Chapter 3 contains a new News in Context box, Exercise 6 is new, and the definition and Review Question relating to the “precautionary principle” have been deleted. Exercise 3 has been modified. In Chapter 4, a paragraph has been added to Section 4 discussing what happens when both supply and demand shift, and a paragraph has been added to Section 5.3 concerning the 2007 subprime mortgage crisis. Also, three new end-of-chapter exercises have been added, as Exercises 1-3.

In Chapter 5, the treatment of the calculations of nominal and real GDP and price indexes in Section 5 have been clarified and streamlined. Exercises 10 and 11 are new. In Chapter 6, the description of the GPI has been updated to reflect new procedures, and exercise 10 is new. Chapter 7 has no changes other than data updates and minor corrections. The News in Context box in Chapter 8 has been updated, and the section on “The Tertiary Sector in the Overall Macro Context” converted to an appendix. Chapter 9 contains an updated News in Context box, and in Section 3.1 an expanded discussion of the impact of interest rates on consumption. Chapter 10 has no changes other than data updates and minor corrections. In Chapter 11, the numerical example of money supply expansion has been corrected and Exercise 1 has been modified. Chapter 11 also has a new News in Context box and now includes discussion of Fed activities from 2005 to 2007. Chapter 12 has a new News in Context box and is updated through 2006 or 2007 (depending on data availability). Chapters 13, 14, and 15 have no changes other than data updates and minor corrections.