
TABLE OF CONTENTS

Part I: Applications	9
1. Ten principles of economics	11
2. Interdependence and the gains from trade	16
3. The market forces of supply and demand	21
4. Elasticity and its application	26
5. Consumers, producers and the efficiency of markets	31
6. The cost of taxation	36
7. Externalities	42
8. The costs of production	47
9. Firms in competitive markets	52
10. Monopoly	58
11. Oligopoly	64
12. Monopolistic competition	70

13. The market for the factors of production76

14. The theory of consumer choice81

Part II: Solutions..... 87

Part III: Some applications solved 97