OXFORD

ECONOMICS

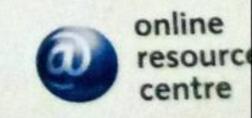




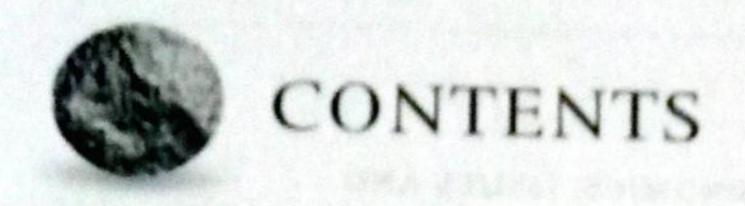


LIPSEY & CHRYSTAL

ELEVENTH EDITION



For sale in India, Bangladesh, Nepal, Bhutan, Sri Lanka, and Myanmar only and not for export therefrom. Not for sale to any other country in the world.

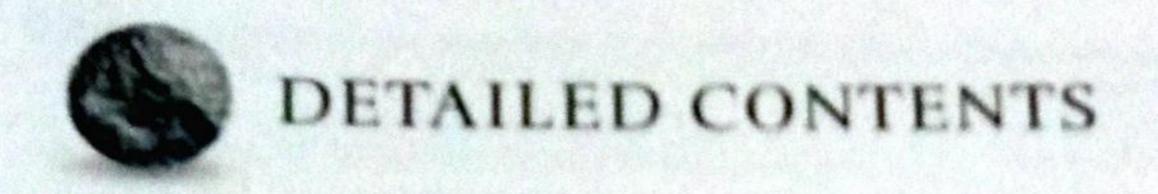


Detuned Contents	VB	
Why study economics?	xity	
How to use this book		
About the online resource centre	xviii	
Outlines for short or modular courses	200	
Acknowledgements	XXIII	
1 Economic Issues and Concepts	1	
2 How Economists Work	16	
MICROECONOMICS		
PART ONE MARKETS AND CONSUMERS	35	
3 Demand, Supply, and Price	37	
4 Elasticity of Demand and Supply	64	
5 Consumer Choice: Indifference Theory	86	
PART TWO MARKETS AND FIRMS	111	
6 The Cost Structure of Firms	113	
7 Perfect Competition	136	
8 Monopoly	160	
9 Imperfect Competition	181	
PART THREE MARKETS FOR INPUTS	205	
10 Demand and Supply of Inputs	207	
11 The Labour Market	229	
12 Capital, Investment, and New Technology	250	
PART FOUR GOVERNMENT AND THE MARKET	271	
13 Market Failure		
	273	
14 The Role of Government	30	



MACROECONOMICS

PART FIVE MACROECONOMICS: ISSUES AND FRAMEWORK		
	329	
15 Macroeconomic Issues and Measurement	331	
16 A Basic Model of the Determination of GDP in the Short Term	357	
17 GDP in an Open Economy with Government	384	
18 GDP and the Price Level in the Short Run	402	
19 GDP and the Price Level in the Long Run		
PART SIX MACROECONOMIC POLICY IN A MONETARY ECONOMY	441	
20 Money and Monetary Institutions		
21 The Role of Money in Macroeconomics	443	
22 The Balance of Payments and Exchange Rates	462	
23 Macroeconomic Policy in an Open Economy	497 519	
PART SEVEN GLOBAL ECONOMIC ISSUES		
24 Inflation	543	
25 Unemployment	545	
26 Economic Growth	567	
27 International Trade	588	
Glossary	610	
Bibliography	625	
Index	635	
"I'UEX	652	
	653	



Chapter 1 Economic Issues and Concepts

The complexity of the modern economy	
Resources and scarcity Who makes the choices and how	
is there a practical alternative to the market economy?	12
Box 1.1 The failure of central planning	3
Box 1.2 The terminology of production possibilities	
Box 1.3 Absolute and comparative advantage	10
Chapter 2 How Economists Work	16
Economic advice: positive and normative statements	16
Economic theorizing	17
Economic data	22
Graphing economic relationships	19
Box 2.1 Prediction, prophecy, and forecasting	20
Box 2.2 An illustrative model	21
Box 2.3 Testability	
MICROECONOMICS PART ONE MARKETS AND CONSUMERS	35
Chapter 3 Demand, Supply, and Price	37
Demand	38
Supply	45
The determination of price	48
But markets are not really like that!	52
Government intervention in markets	55
Box 3.1 Stocks and flows	38
Box 3.1 Stocks and non-s Box 3.2 Weather matters	44
Box 3.2 Weather matters Box 3.2 Prices in periods of inflation	50
Box 3.4 Demand and supply: what really happens	52
BUX 3.4 Demand and 3-PF	
Chapter 4 Elasticity of Demand and Supply	64
	6
Demand elasticity	7
Supply elasticity	Landa Santa Miller and Francis 27
Measurement of demand and supply	

Box 4.1 That.	
Box 4.1 The terminology of elasticity Box 4.2 Massacian	
Box 4.2 Measuring elasticity over a range	
The Elasticity and income	68
Box 4.4 Elasticity matters	
	71 72
Chapter 5 Consumer Choice: Indifference Theory	75
Early insights Early insights	
Consumer optimization	86
Consumer optimization without measurable utility The consumer's response to mi	
a icabolise to buco and i	87
The consumer's demand curve	92
Box 5.1 The paradox of value	99
Box 5.2 Consumers' surplus	101
Box 5 3 Shapes of the	90
Box 5.3 Shapes of indifference curves	89
Total neighbor neighbor and it a	91
box 5.5 The Slutsky decomposition of income	96
Box 5.5 The Slutsky decomposition of income and substitution effects	101
	103
PART TWO MARKETS AND FIRMS	
	111
Chapter 6 The Cost Structure of Firms	
Time Cost Structure of Firms	
Firms in practice and theory	113
Production, costs, and profits	114
Costs in the short run	117
Costs in the long run	120
The very long run: endogenous technical change	126
and the charge four technical change	131
Box 6.1 Organization of producers	
Box 6.2 Kinds of debt instrument	114
Box 6.3 The boundaries of the firm	115
Box 6.4 Short-run cost survey when 5	116
Box 6.4 Short-run cost curves when firms have excess capacity	125
Box 6.5 The economy-wide significance of the principle of substitution	128
	120
Chapter 7 Perfect Competition	125
The state of the s	136
Market structure and firm behaviour	137
Perfectly competitive markets	138
Short-run equilibrium	
ong-run equilibrium	141
he allocative efficiency of perfect competition	145
	153
ox 7.1 Demand under perfect competition: firm and industry	
ox 7.2 Scrap or store: what do airlines do in a downturn?	139
ox 7.3 Who benefits and loses from changes in input costs?	142
ox 7.4 The effects of changing technology	148
ox 7.5 Declining industries	149
ox 1.5 Deciming moustries	151
hapter 8 Monopoly	160
single-price monopolist	160
	160
ne allocative inefficiency of monopoly	165
	THE RESERVE THE PARTY OF THE PA

	和被主机的总统 毛拉帕干香辣干莎 克洛
A model group monapolist grick discommands	144
Lamp into memorphity equilibrium	170
Carters as memograture	171
Appendix, Price discrimination between two markets	179
Box 8.2 Examples of price discrimination	16.6
Chapter 9 Imperfect Competition	181
Patterns of concentration in manufacturing	181
imperfectly competitive market structures	182
Monopolistic competition	185
Oligopoly	188
Oligopoly as a game	196
Dynamics of oligopolistic industries	199
Box 9.1 Globalization of production and competition	183
Box 9.2 The price of haircuts and the profits of hairdressers	187
Box 9.3 Games and their applications	192
Box 9.4 Real-world strategic games	194
Box 9.5 Brand proliferation in alcoholic drinks	196
PART THREE MARKETS FOR INPUTS	205
Chapter 10 Demand and Supply of Inputs	207
Overview of input markets	207
The demand for inputs	210
The supply of inputs	216
The operation of input markets	220
Economic rent	222
Box 10.1 Theories of the distribution of income	208
	210
Box 10.2 Economics of produced inputs Box 10.3 Demand for inputs where there is more than one variable input	214
Box 10.3 Demand for inputs where there is mand	216
Box 10.4 The principles of derived demand	218
Box 10.5 The supply of labour Box 10.6 Origin of the term 'economic rent'	223
Box 10.6 Origin of the term economic rem	
Chapter 11 The Labour Market	229
	230
Wage differentials Heterogeneity, incentives, and monitoring costs	241
	233
Box 11.1 The rental and purchase price of labour	235
Box 11.2 Why are women paid less than men?	
Chapter 12 Capital, Investment, and New Technology	250
	251
Capital as an input	258
The investment decision	26
New technology	

Box 12.1 The value of a brand	
Box 12.2 The future value of a present sum	25.
Box 12.3 Real and nominal interest rates	25!
Box 12.4 The option to invest	259
Box 12.5 The winner's curse	260
	26
PART FOUR GOVERNMENT AND THE MARKET	27
Chapter 13 Market Failure	27:
Basic functions of government	27.
Market efficiency	27
Rivalrous and excludable goods	27
Externalities	28
Public policy towards monopoly and competition	29
	280
Box 13.1 Pricing of galleries and museums	28
Box 13.2 Buffalos, cows, and elephants	290
Box 13.3 Policies for environmental regulation	294
Box 13.4 Privatization in the United Kingdom	
Box 13.5 UK competition policies	295
Chapter 14 The Role of Government	301
	302
Government objectives	305
Tools and performance	315
The costs of government intervention	319
Government failure	
Box 14.1 The impact of a per-unit tax in a competitive industry	307
Box 14.2 The effect of taxes on profits	
Box 14.3 The great Microsoft anti-trust case	315
MACROECONOMICS	
ART FIVE MACROECONOMICS: ISSUES AND FRAMEWORK	329
	331
hapter 15 Macroeconomic Issues and Measurement	332
hat is macroeconomics?	
hy do we need macroeconomics?	332
e GDP gap	335
easurement of national output	337
e circular flow of income, output, and spending	339
P, GNI, and GNP	340
erpreting national income and output measures	347
	338
15.1 Value added through stages of production	
15.2 Calculation of nominal and real GDP	348
apter 16 A Basic Model of the Determination of GDP in the Short Term	357
macro problem: inflation and unemployment	358
assumptions	360

The supply of money and the demand for money

466

****	DETA	No series.	-	经常产品	126
XII	EDE F AL	FILEU	34000	NE SECTION	F 10. 34"

Monetary forces and aggregate demand	
Macroeconomic cycles and aggregate shocks	471
Implementation of monetary policy	475
Appendix: An alternative derivation of the AD curve: IS/LM	481
Box 21.1 The quantity theory of money	490
Box 21.2 The accelerator theory of investment	470
Box 21.3 Multiplier-accelerator interaction	474
Box 21.4 Monetary policy reactions and the Taylor rule	477
Chanter 22 Th. 2-1	479
Chapter 22 The Balance of Payments and Exchange Rates	
The balance of payments	497
The market for foreign exchange	497
The determination of exchange rates	503
Box 22.1 Trade and modern mercantilism	506
Box 22.2 Balance of payments crises	501
Box 22.3 Exchange rates and the quantity theory of money	502
Box 22.4 'News' and the exchange rate	511
	513
Chapter 23 Macroeconomic Policy in an Open Economy	
Why does openness matter?	519
Macro policy in a world with perfect capital mobility	520
Some implications	522
	534
Box 23.1 The globalization of financial markets	
Box 23.2 The J-curve	520
Box 23.3 International linkages and the world business cycle	530 536
PART SEVEN GLOBAL ECONOMIC ISSUES Chapter 24 Inflation	543
	545
Inflation in the macro model	546
The Phillips curve	553
The Lucas aggregate supply function	560
s inflation dead?	562
Pay 34.1 Upporinflation	
Box 24.1 Hyperinflation	552
Box 24.2 The Lucas Critique	562
Chapter 25 Unemployment	567
Inemployment characteristics	568
	573
Cyclical unemployment	578
quilibrium unemployment: the NAIRU	
leducing unemployment	582
ox 25.1 How is unemployment measured?	569
ox 25.2 False trails: what won't cure unemployment	583
Chapter 26 Economic Growth	588
rend and cycle	588
enefits and costs of growth	大人工工工工程的企业
	590

The state of the s

The state of the s

The state of the s

The transfer of the second second

The state of the s

The state of the s

The state of the s

the second of the second second second second in the second secon

THE COLUMN THE PARTY OF THE PAR