

# Contents

<b>Introduction</b>	1
1. The foundations of economics	2
<b>Section 1 - Microeconomics</b>	
2. Demand and supply	18
3. Market equilibrium, the price mechanism, and market efficiency	35
4. Elasticities	46
5. Indirect taxes, subsidies and price controls	63
6. Costs, revenues and profits	77
7. Perfect competition	102
8. Monopoly	112
9. Monopolistic competition	121
10. Oligopoly	126
11. Price discrimination	133
12. Market failure	139
<b>Section 2 - Macroeconomics</b>	
13. The level of overall economic activity	155
14. Aggregate demand	170
15. Aggregate supply	182
16. Macroeconomic equilibrium	192
17. Low unemployment	203
18. A low and stable rate of inflation	221
19. Economic growth	244
20. Equity in the distribution of income	250
<b>Section 3 – International Economics</b>	
21. Why do countries trade?	259
22. Free trade and protectionism	267
23. Exchange rates	282
24. Balance of payments	294
25. Economic integration	309
26. Terms of trade	317
<b>Section 4 – Development Economics</b>	
27. Economic development	330
28. Measuring development	343
29. Domestic factors and economic development	356
30. International trade and economic development	367
31. Foreign direct investment and economic development	378
32. Aid, debt, and economic development	385
33. The balance between markets and intervention	401
34. Assessment advice	405
<b>Index</b>	420