

Economics / Fall 2009

Mid-Term Review

Dopman

Resources:

- ❖ Economics: Principles in Action, O’Sullivan and Sheffrin:
 - Chapter 1- 7
- ❖ David Brooks, “Human Capital” New York Times
- ❖ Paul Krugman, “How Economists Got It So Wrong” New York Times
- ❖ Thomas Friedman “The New Untouchables” New York Times

Values and Money

- Values
- The American Dream
- Money and happiness
- Cost of Living
- Standard of Living
- Disposable Income
- Aggregate
- Economics
- Economics and Politics
- “Economics is subjective and therefore political.”
- Four types of economies
- Goods and services
- Trade offs
- “Guns or butter”
- Opportunity costs
- Thinking at the margin
- Capitalism vs. Democracy
- Needs vs. Wants
- Biological Need
- Social Need
- Scarcity
- Limited Resources
- Allocation
- Microeconomics
- Macroeconomics
- Karl Marx – basic beliefs
- *The Communist Manifesto*
- Bourgeoisie
- Proletariat
- “exploitation of the worker”
- Adam Smith – basic beliefs
- *The Wealth of Nations*
- Laissez-faire economics
- The “Invisible Hand”
- Incentives

- Factors of production
 - Land
 - Labor
 - Capital
 - Entrepreneurship
- Human Capital
 - Cultural capital
 - Social capital
 - Moral capital
 - Cognitive capital
 - Aspirational capital

Supply and Demand

- Demand
- Law of Demand
- Normal Good
- Inferior Good
- Factors for change in demand:
 - change in consumers income
 - change in consumers attitude (taste, expectations)
 - change in \$ of related goods
 - Substitute
 - Compliment
 - # of buyers
- Supply
- Law of Supply
- Factors for change in supply:
 - Technology
 - Input Costs
 - Expectations
 - # of sellers
- Market vs. Individual Supply
- “The Market”
- Competitive Markets
- Supply and Demand Curves
- Equilibrium
- Equilibrium Price
- Equilibrium Quantity
- Shortage
- Surplus
- Price Ceiling
- Price Floor

Competition

- Commodity
- Perfect Competition
 - 4 conditions for perfect competition
- Imperfect competition
- Barriers to entry
- Start up costs
- Economies of scale

- Monopoly
- Natural monopoly
- Government monopoly
- Patent
- Price war
- Collusion
- Price Fixing
- Cartel
- Oligopoly
- Predatory pricing
- Regulation/deregulation
- Trust
- Sherman Antitrust Act
- Competitive Markets

People

Barack Obama
Joe Biden
Nancy Pelosi
Harry Reid
Timothy Geithner
Lawrence Summers
Ben Bernanke
Paul Volcker
Barbara Lee
Barbara Boxer
Diane Feinstein

Other Stuff...(To be added)