



Survey of Economics



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OpenStax	Senior Contributing Authors: Steve Greenlaw - University of Mary Washington Timothy Taylor - Macalester College	Principles of Economics, 2nd Edition	OpenStax
Marginal Revolution University	Tyler Cowen and Alex Tabarrok		MRUniversity Videos

Alta Survey of Economics was developed to meet the scope and sequence of most introductory survey of economics courses. To develop the course, Knewton used a variety of content, including OpenStax, MRU, and a team of Subject Matter Experts (SMEs). The SMEs come from diverse backgrounds and are all accomplished academics in the field of economics.

Alta Survey of Economics has one to two pieces of instruction for every learning objective, giving students multiple, diverse opportunities to learn new concepts. Alta Survey of Economics covers the typical breadth of economics topics, and also provides the necessary depth to ensure the course is manageable and engaging for instructors and students alike.

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Chapter 1: Welcome to Economics!

1.1 What is Economics and Why is it Important?

- Evaluate the significance of scarcity
- Explain the relationship between production and division of labor
- Contrast microeconomics and macroeconomics

1.2 Economic Theories, Models, and Systems

- Explain the importance of economic theories and models
- Interpret a circular flow diagram
- Contrast traditional economies, command economies, and market economies
- Assess the importance and effects of globalization

Chapter 2: Choice in a World of Scarcity

2.1 How Individuals Make Choices Based on Their Budget Constraint

- Interpret budget constraints
- Calculate a budget constraint using an equation
- Graph budget constraints
- Explain opportunity cost
- Calculate opportunity cost
- Understand how to use marginal analysis
- Define sunk costs

2.2 The Production Possibilities Frontier and Social Choices

- Define production possibilities frontier
- Calculate opportunity cost based on a production possibilities frontier
- Understand the law of diminishing returns and how it relates to the shape of the PPF
- Define productive efficiency and allocative efficiency
- Define comparative advantage

2.3 Confronting Objections to the Economic Approach

- Recall arguments against economic approaches to decision-making
- Classify normative statements and positive statements

Chapter 3: Introduction to Demand and Supply

3.1 Demand, Supply, and Equilibrium in Markets for Goods and Services

- Explain demand, quantity demanded, and the law of demand
 - Interpret demand schedules and demand curves
 - Explain supply, quantity supplied, and the law of supply
 - Interpret supply schedules and supply curves
 - Define equilibrium
 - Identify equilibrium using demand/supply curves
 - Identify equilibrium using demand/supply schedules
 - Explain how a market moves from shortage or surplus to an equilibrium
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3.2 Shifts in Demand and Supply for Goods and Services

- Define the ceteris paribus assumption
- Contrast normal and inferior goods
- Identify the effects of income on shifts in demand
- Explain how changes in price of substitute goods can affect demand
- Explain how changes in price of complement goods can affect demand
- Identify factors that shift demand curves
- Explain how changes in the price of inputs affect supply
- Identify factors that shift supply curves
- Graph shifts in demand
- Graph shifts in supply

3.3 Changes in Equilibrium Price and Quantity: The Four-Step Process

- Use the four-step process to explain how shifts in demand affect equilibrium
- Use the four-step process to explain how shifts in supply affect equilibrium
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- Use the four-step process to explain how simultaneous shifts in supply and demand affect equilibrium
- Contrast shifts of demand or supply and movements along a demand or supply curve

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- Explain price ceilings
- Explain price floors
- Analyze the effects of price floors on market equilibrium
- Analyze the effects of price ceilings on market equilibrium

3.5 Demand, Supply, and Efficiency

- Define Consumer Surplus
- Define Producer Surplus
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- Explain why taxes on buyers and sellers can be inefficient

Chapter 4: Labor and Financial Markets

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- Explain how interest rates can affect supply and demand in financial markets
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 - Explain the impact of price ceilings and usury laws in the financial markets
-

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- Understand the market system as an efficient mechanism for information
- Apply demand and supply models to analyze prices and quantities

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- Calculate cross-price elasticity of demand

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- Understand revenue, cost, and profits
- Use revenue and cost information to calculate accounting and economic profit

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- Understand the factors of production and be able to group factors into one of five categories
- Understand and differentiate between fixed and variable inputs in production
- Calculate marginal product and understand the law of diminishing marginal product

6.3 Costs in the Short Run

- Identify the factor payments associated with the five factors of production
 - Calculate cost from a production function
 - Use a cost function to calculate marginal and average costs
 - Understand fixed, variable, and total costs of production
 - Use fixed and variable costs to calculate average variable, average fixed, and average total costs
 - Identify average total cost, average variable cost, and marginal cost on a graph
 - Define average profit and profit margin
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6.4 Costs in the Long Run

- Understand the relationship between labor and machinery prices and firm production decisions
- Recognize when an average cost curve exhibits economics of scale
- Understand the long run average cost curve and identify the economies of scale and constant returns to scale zones
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7.1 How Perfectly Competitive Firms Make Output Decisions

- Understand market structure and the characteristics of a perfectly competitive industry
- Understand two different formulas for calculating profit
- Use a graph or table to determine the profit-maximizing level of output based on total revenue and total cost
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- Find the profit-maximizing level of output using marginal revenue and marginal cost
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- Understand efficiency and how it relates to perfect competition

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- Understand how natural monopolies arise and identify them graphically
- Understand control of a physical resource, legal restrictions, intellectual property, and predatory pricing as sources of barriers to entry

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 - Use marginal revenue and marginal cost to find the profit maximizing quantity and calculate profits
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 - Understand allocative efficiency in a monopoly
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Chapter 9: Monopolistic Competition and Oligopoly

9.1 Introduction to Monopolistic Competition and Oligopoly

- Remember the characteristics of monopolistic competition and oligopoly
- Identify examples of product differentiation
- Understand demand as perceived by a monopolistically competitive firm
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- Use a graph or table to determine the monopolistic competitor's profit
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- Understand the benefits of product differentiation and how advertising affects monopolistic competition

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- Understand how oligopolies form and how they could work together in production decisions
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- Explain regulation in the financial industry

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- Understand how subsidies can be a solution to positive externalities and illustrate this graphically
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- Understand alternative government policies for promoting research and development

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- Identify goods that are non-rival and non-excludable as public goods
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- Understand common resources and the tragedy of the commons
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- Calculate and graph the marginal product of labor
- Calculate the value of marginal product of labor and plot it on a graph
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- Understand how imperfectly competitive firms choose how much labor to employ
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- Define unions and remember basic facts about union membership in the US
- Understand how unions can affect wages
- Explain the tradeoff between wages and employment and understand the potential impacts of unions on worker productivity
- Understand possible explanations for the decline in union membership in the US
- Understand how bilateral monopoly affects employment and wages in labor markets

13.3 Employment Discrimination and Immigration

- Define discrimination and understand trends in wage ratios over the past 50 years
- Understand factors that affect female-male wage ratios
- Understand factors that affect black-white wage ratios
- Understand how competitive markets, the government, and growing diversity can help reduce discrimination
- Understand the costs and benefits, historical trends, and policy regarding immigration

Chapter 14: Poverty and Economic Inequality

14.1 The Poverty Line and The Poverty Trap

- Define basic definitions related to poverty
 - Identify patterns of inequality in the US and abroad
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- Explain the poverty trap and use a labor-leisure budget constraint to illustrate this scenario
- Explain how a guaranteed income program discourages work

14.2 The Safety Net and Income Inequality

- Explain the government programs of the Temporary Assistance for Needy Families and the Earned Income Tax Credit
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- Understand risk groups and their effect on premiums
- Understand moral hazard and what insurance companies can do to present it
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- Understand the role for government in insurance markets
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Chapter 16: Introduction to Financial Markets

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- Define liquidity, risk, and rate of return
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- Understand how bond interest rates vary with risk and maturity rate
- Define important bond terminology
- Calculate a bond's yield rate
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- Define diversification, mutual funds, and index funds
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- Understand the tradeoff between risk and return

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 - Calculate GDP using the components of demand
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- Define the aggregate production function and identify its components
- Understand growth in labor productivity and the impact of the new economy
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- Discuss the components of economic growth, including physical capital, human capital, and technology
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- Understand which components of economic growth have been found to be most important
- Understand the factors that contribute to a health climate for economic growth
- Explain convergence and understand why low income countries grow faster than high income countries
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 - Understand sources of hidden unemployment
 - Understand how the BLS calculates unemployment and potential issues with the measurement
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- Understand some costs of inflation and one potential benefit
- Explain indexing and some key examples of indexing

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- Calculate current account balance

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- Describe the US trade balance historically and compare the level of globalization across countries
 - Understand how trade surpluses and deficits lead to lending money or borrowing money abroad
 - Understand balance of payments and the relationship with balance of trade
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- Draw a country's production possibilities frontier
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- Explain the relationship between comparative advantage and specialize and calculate world production before and after specialization
- Illustrate how trade can move a country beyond its production possibilities frontier

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- Define and explain intra-industry trade
- Explain the World Trade Organization and understand the benefits to reducing trade barriers

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29.1 Protectionism: An Indirect Subsidy from Consumers to Producers

- Explain protectionism, GATT, and WTO
 - Identify equilibrium prices for a good in two countries with and without trade
 - Calculate exports and imports using supply and demand diagrams
 - Identify gains from trade on a supply and demand diagram
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 - Explain who benefits and who loses from protectionism
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- Explain how protectionism and trade affect jobs, wages, and working conditions
- Explain the infant industry argument and dumping
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- Explain the relationship between free trade and domestic interests and how trade policy has evolved over time
- Explain why free trade should be a first priority for policymakers

Appendices

A.1 Indifference Curves

- Draw an indifference curve
- Interpret an indifference curve and explain its slope
- Explain why higher indifference curves are preferred to lower ones and how indifference curves differ across individuals
- Understand how an individual uses indifference curves and a budget line to maximize utility
- Explain how changes in income affect the utility maximizing choice
- Identify the income and substitution effects graphically
- Draw a labor-leisure indifference curve and budget line
- Explain the effect of a change in the wage on a worker's labor-leisure choice
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- Calculate present discounted value of a stock
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- Identify aggregate expenditure, the 45-degree line, and potential output on a graph
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