Things to know for the midterm

- Fundamentals: Resources, scarcity, production possibility frontier, choice, opportunity cost
- Demand: causes of shifts, movements along the curve, elasticity
- Supply: causes of shifts, movements along the curve, elasticity
- Equilibrium: supply = demand
- Policy: quotas, price ceilings and floors, taxes on consumers and producers
- Welfare measure: consumer surplus, producer (or seller) surplus, deadweight loss, efficiency
- Utility: indifference curves, budget constraints, income effects
- The firm: production function, input (or factor) demands, cost function, profit maximization, derivation of supply function.
- Long Run: entry and exit, economy and firm level equilibrium, sunk and fixed costs
- Monopoly: how price depends on quantity, why MR = MC, price discrimination

Read the text book chapters 1 through 10