

## Microeconomics Outline: Part I, pp. 9-135

2. Supply and Demand
  - Demand: Curve, Function, Schedule
  - Law of Demand
  - Adding Demand Curves
  - Supply, Law of Supply, Adding Supply Curves
  - Market Equilibrium
  - Shifts in Supply, Shifts in Demand
  - Joint Shifts in Supply and Demand
  - Price Controls
3. Applying the Supply and Demand Model
  - Elasticity: %-change in quantity/%-change in price
  - Elasticity alternative to Slope
  - Elastic, Inelastic and total spending (revenue)
  - Elasticities of Demand: Price, Cross-price, Income
  - Elasticity of Supply
  - Tax Incidence and Elasticity
4. Consumer Choice
  - Baskets of Goods
  - Preferences: Complete, Transitive, More is Better
  - Indifference Map and Utility
  - Subjective Trade-offs: Marginal Rate of Substitution
  - Substitutes, Complements and the Shape of Indifference Curves
  - Constraints: The Budget Line
  - Objective Trade-offs: Slope of Budget Line ( $-P_y/P_x$ )
  - Consumer's Optimum I:  $MRS = P_y/P_x$  or  $MU_x/P_x = MU_y/P_y$
  - Consumer's Optimum II: Corner Solutions
5. Applying Consumer Theory
  - Price-consumption Path
  - Demand curve
  - Income-Consumption Curve
  - Consumption and Income: Engel Curves
  - Engle Curves and Income Elasticity
  - Behind the Demand Curve: Income and Substitution Effects
  - Giffen Goods
  - Price Indexes