

Econ (H): Unit 2 Review

Definitions, Examples, Applications

Chapter 6: Extensions of Demand and Supply Analysis

1. Price elasticity of demand: calculate, formula
2. Total revenue test: interpret
3. Determinants of price elasticity: examples
4. Elasticity of supply: interpret
5. Applications of price elasticity
6. Cross and income elasticity: substitutes, complements...
7. Consumer and producer surplus

Chapter 7: Consumer Behavior and Utility Maximization

1. Utility; law of diminishing marginal utility
2. Utility-maximizing rule
3. Marginal utility and product demand

Chapter 8: The Costs of Production

1. Costs: explicit and implicit
2. Profits
3. Short run versus long run
4. Law of diminishing returns

5. Short-run costs
6. Long-run costs