Figure 1

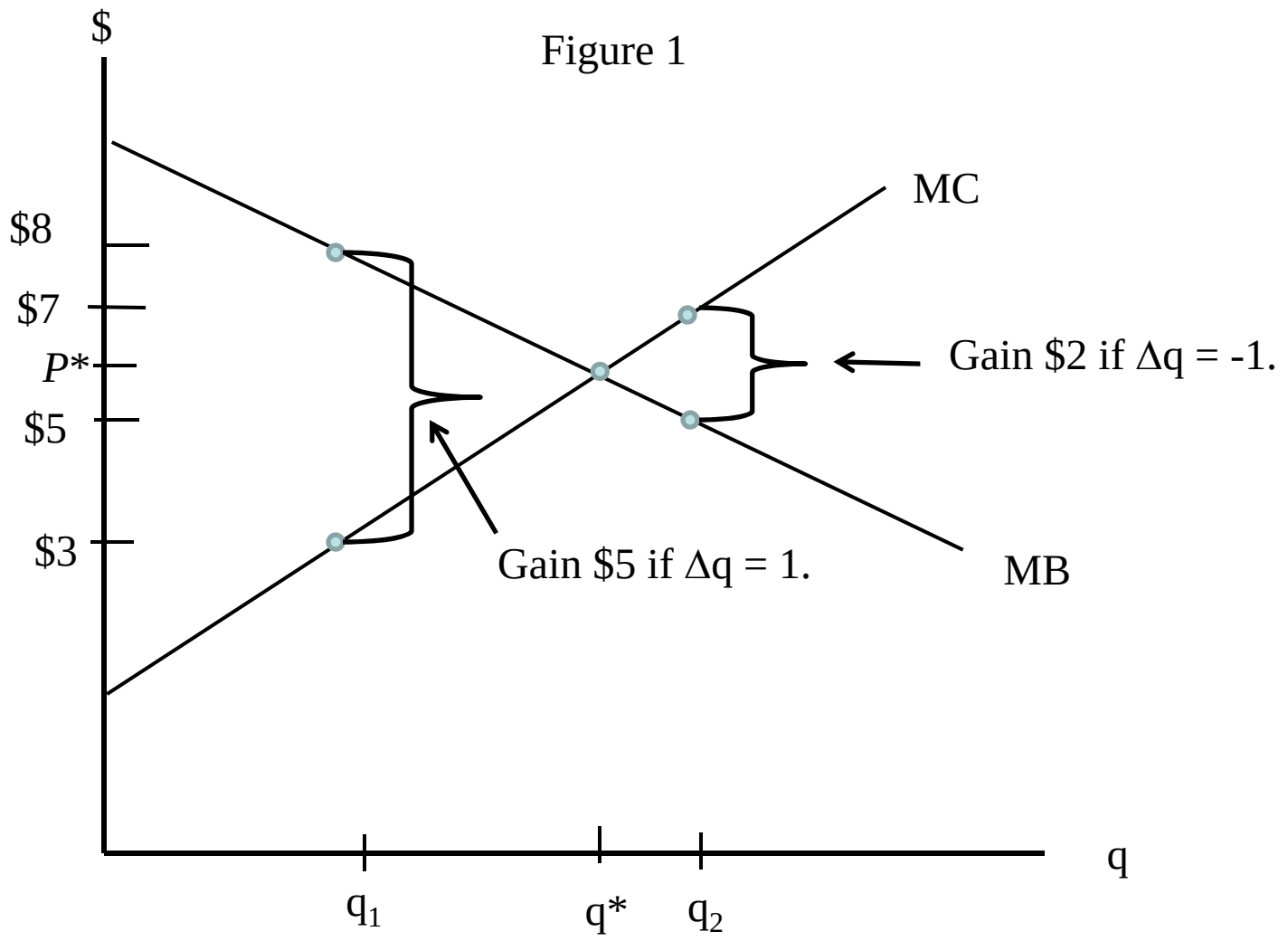


Figure 2

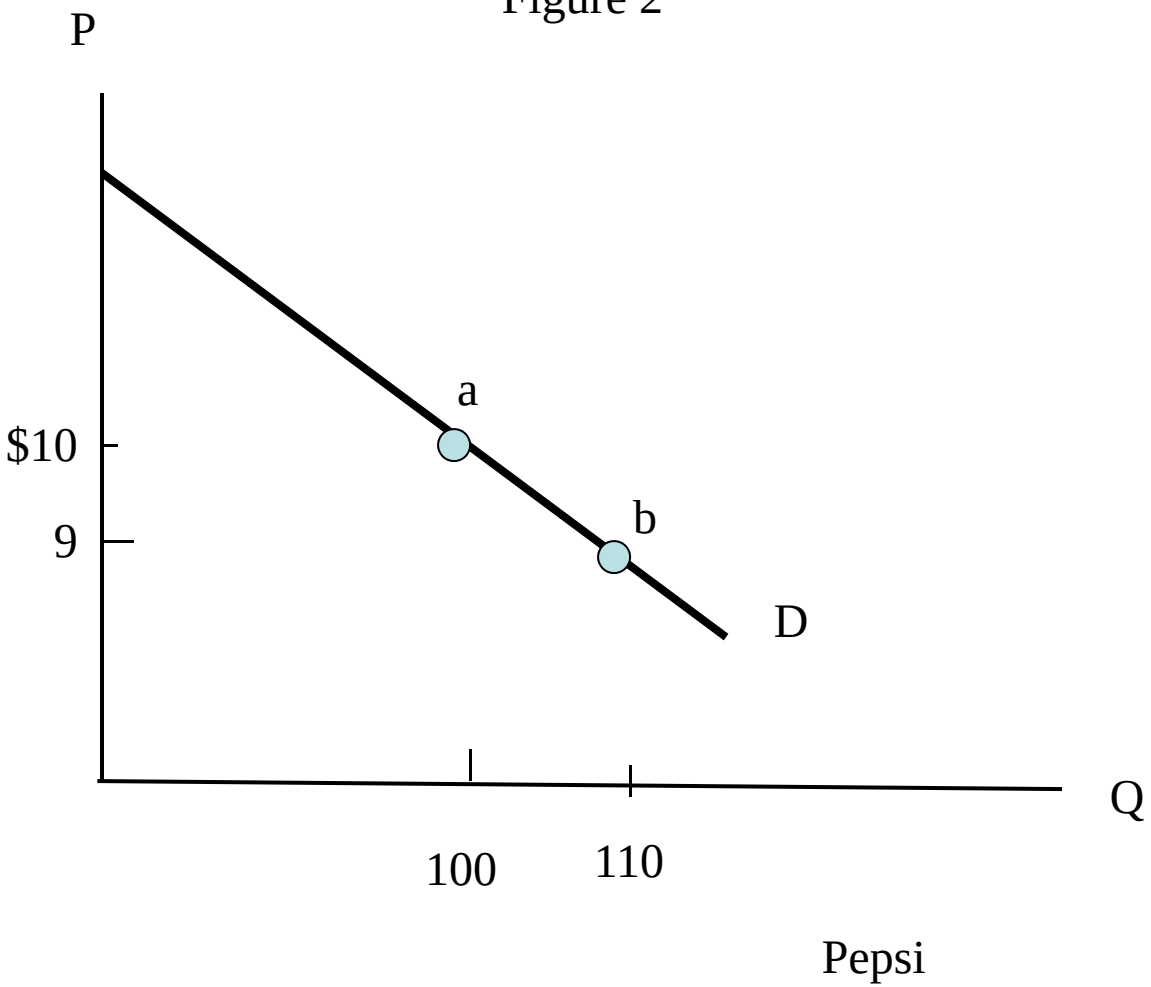


Figure 3

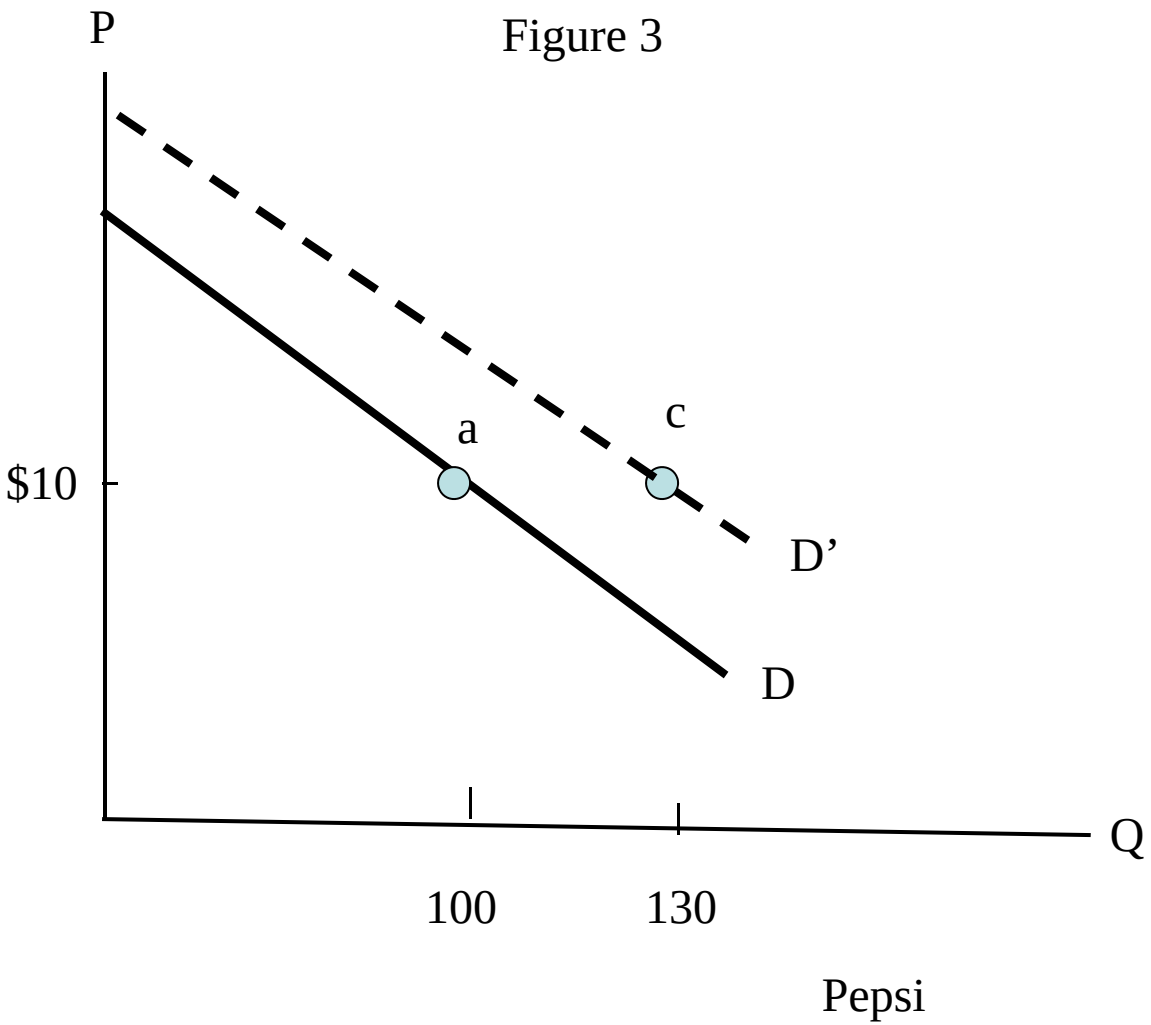


Figure 4

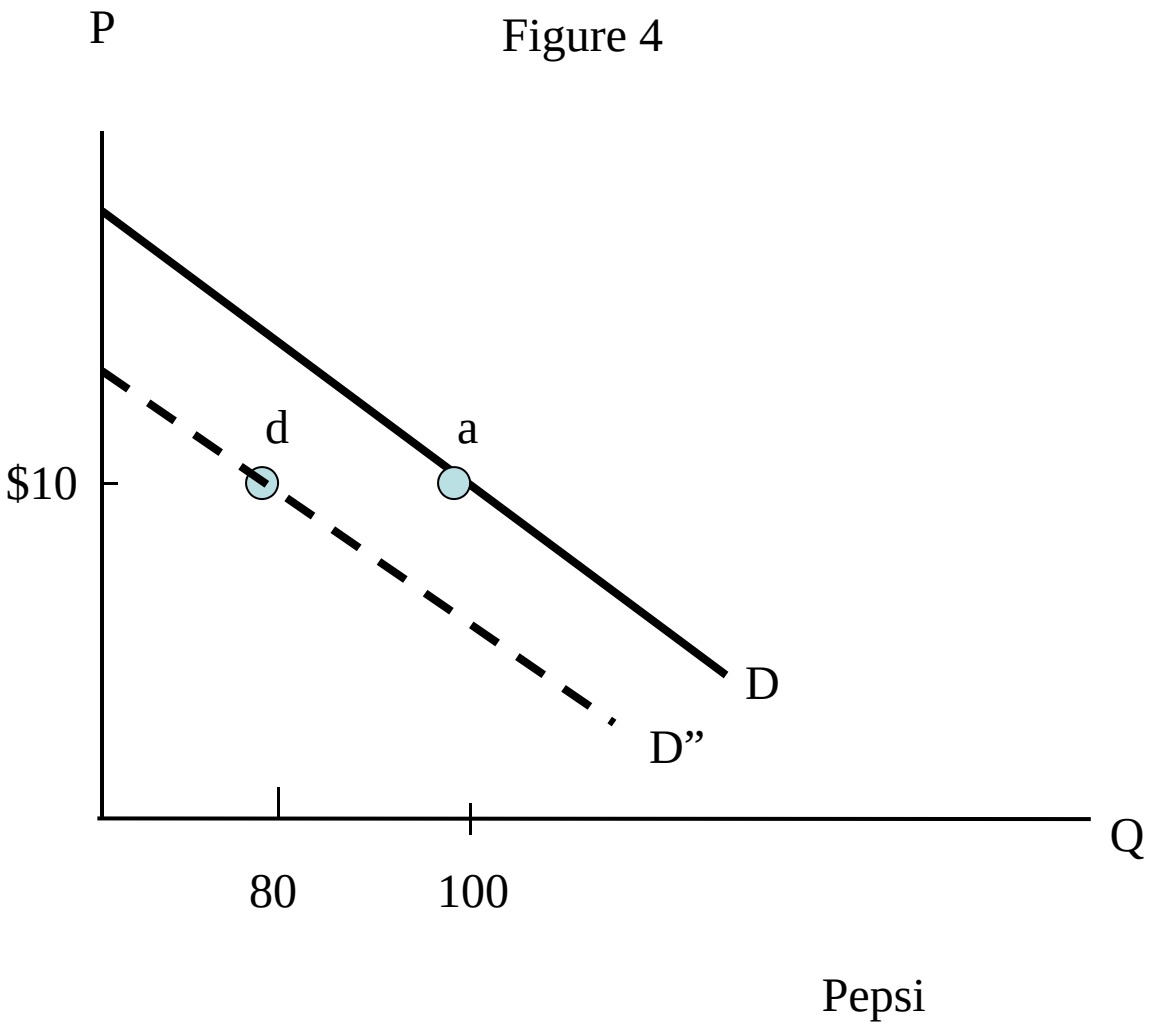


Figure 5

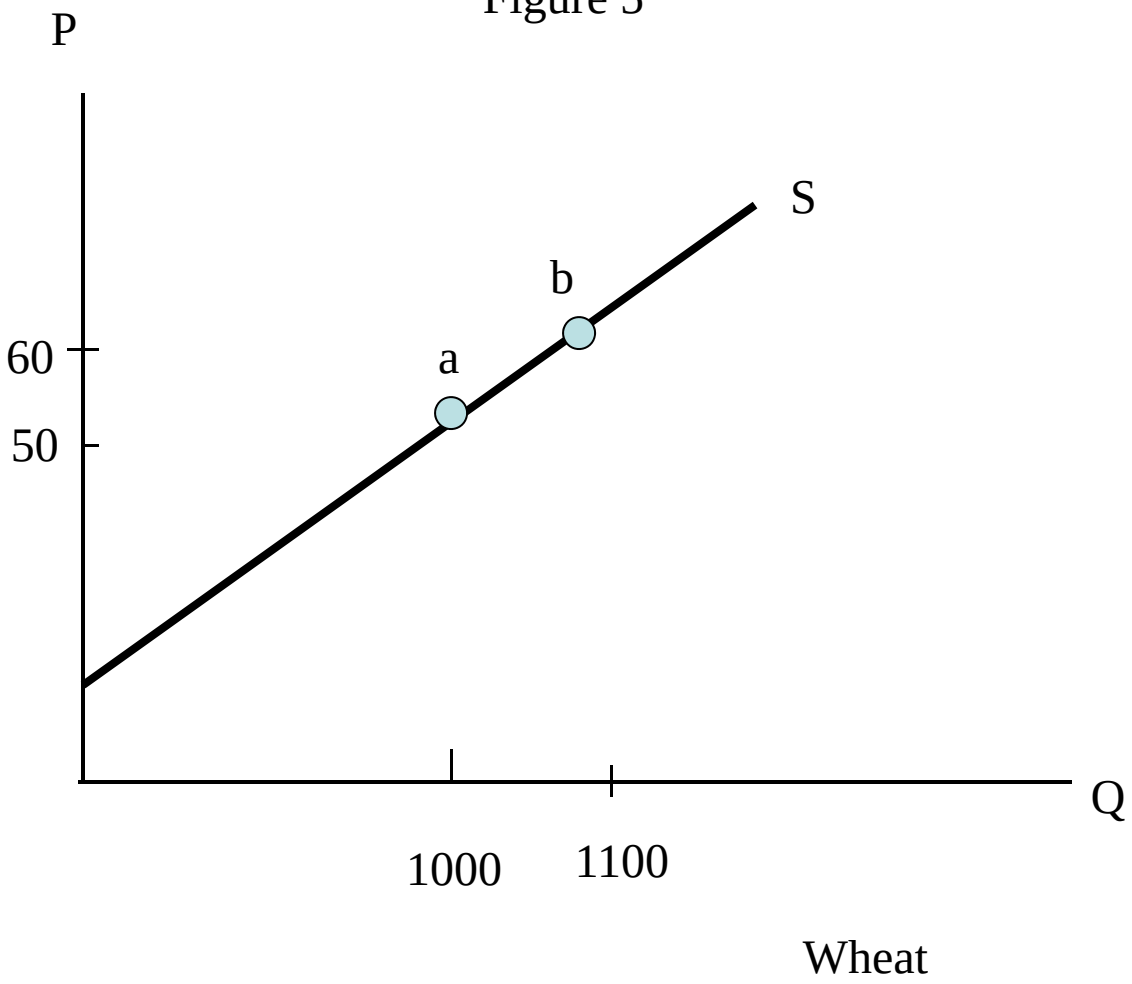


Figure 6

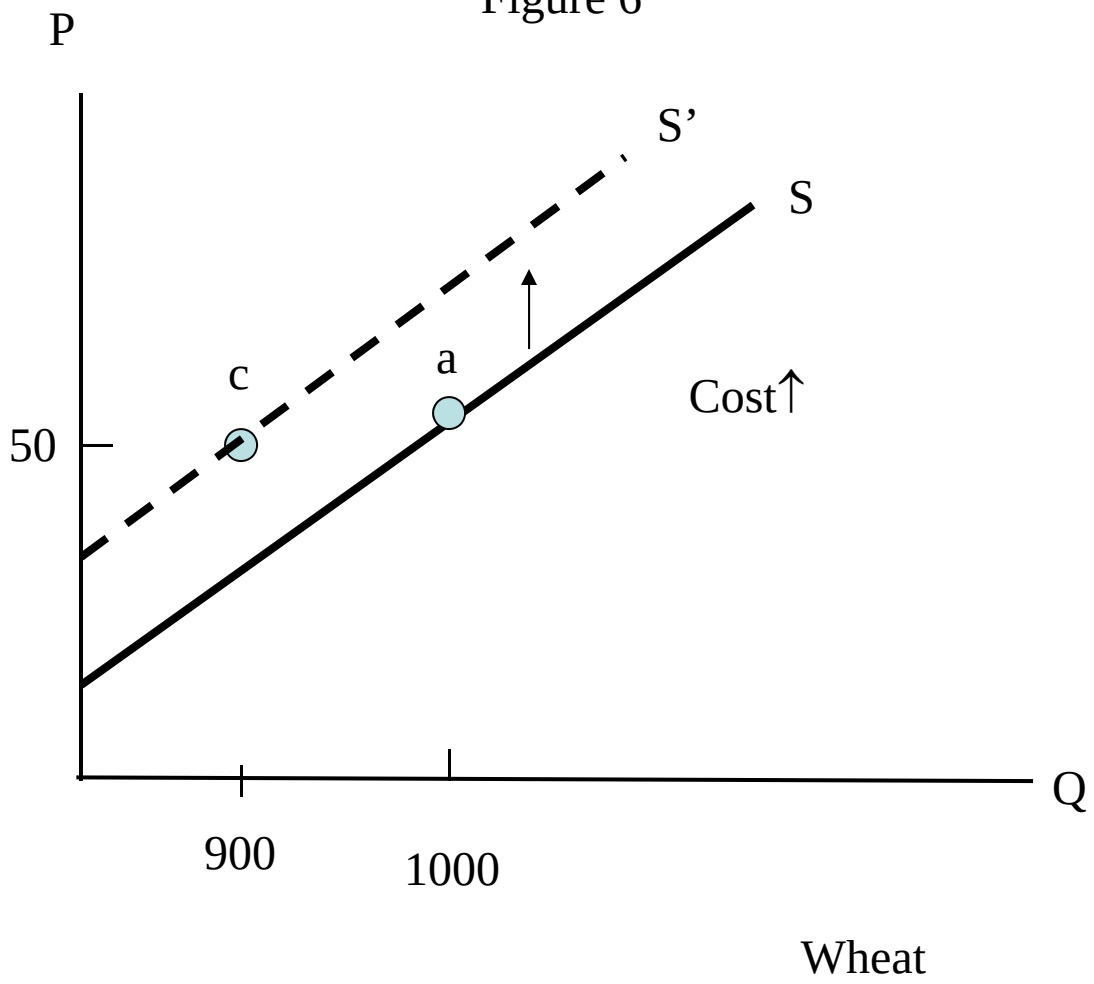


Figure 7

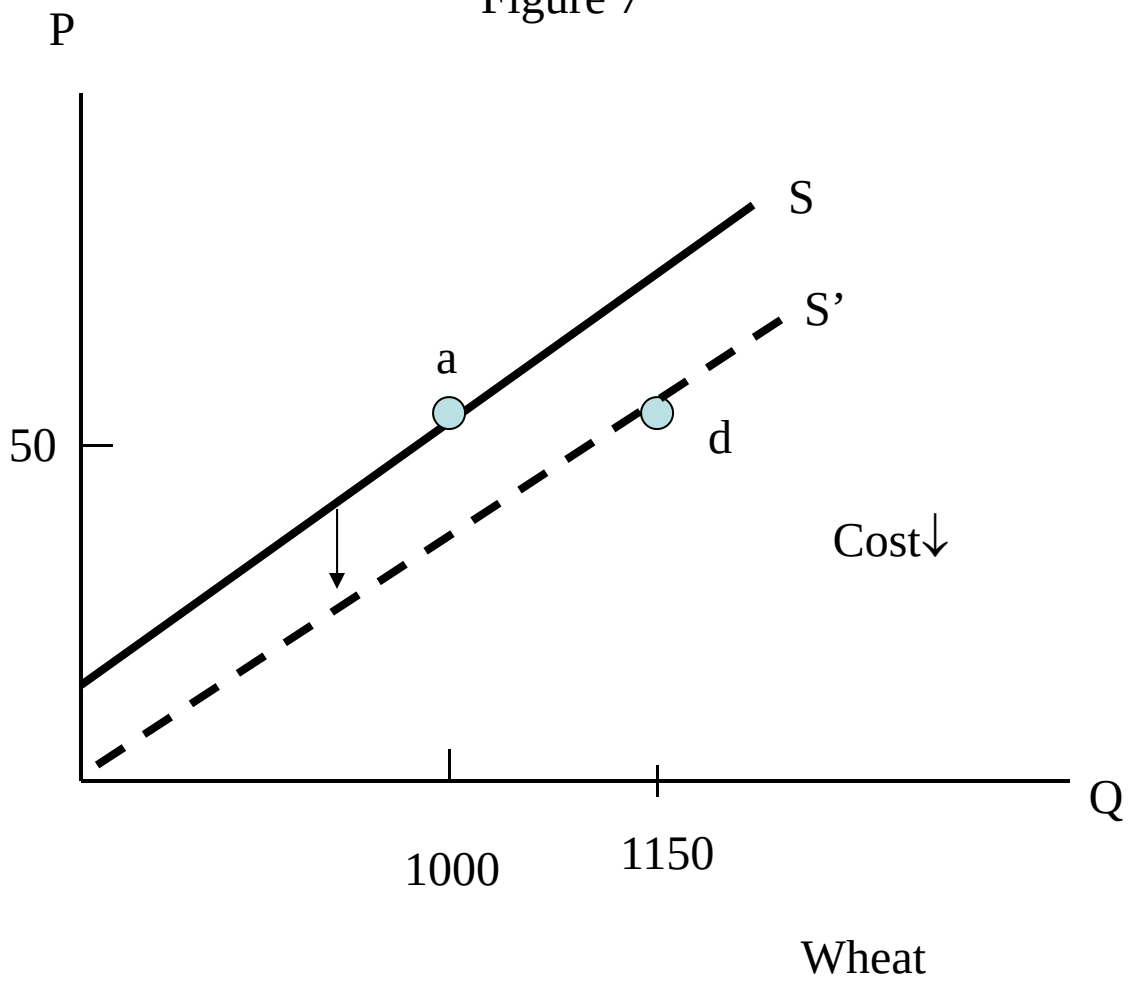


Figure 8

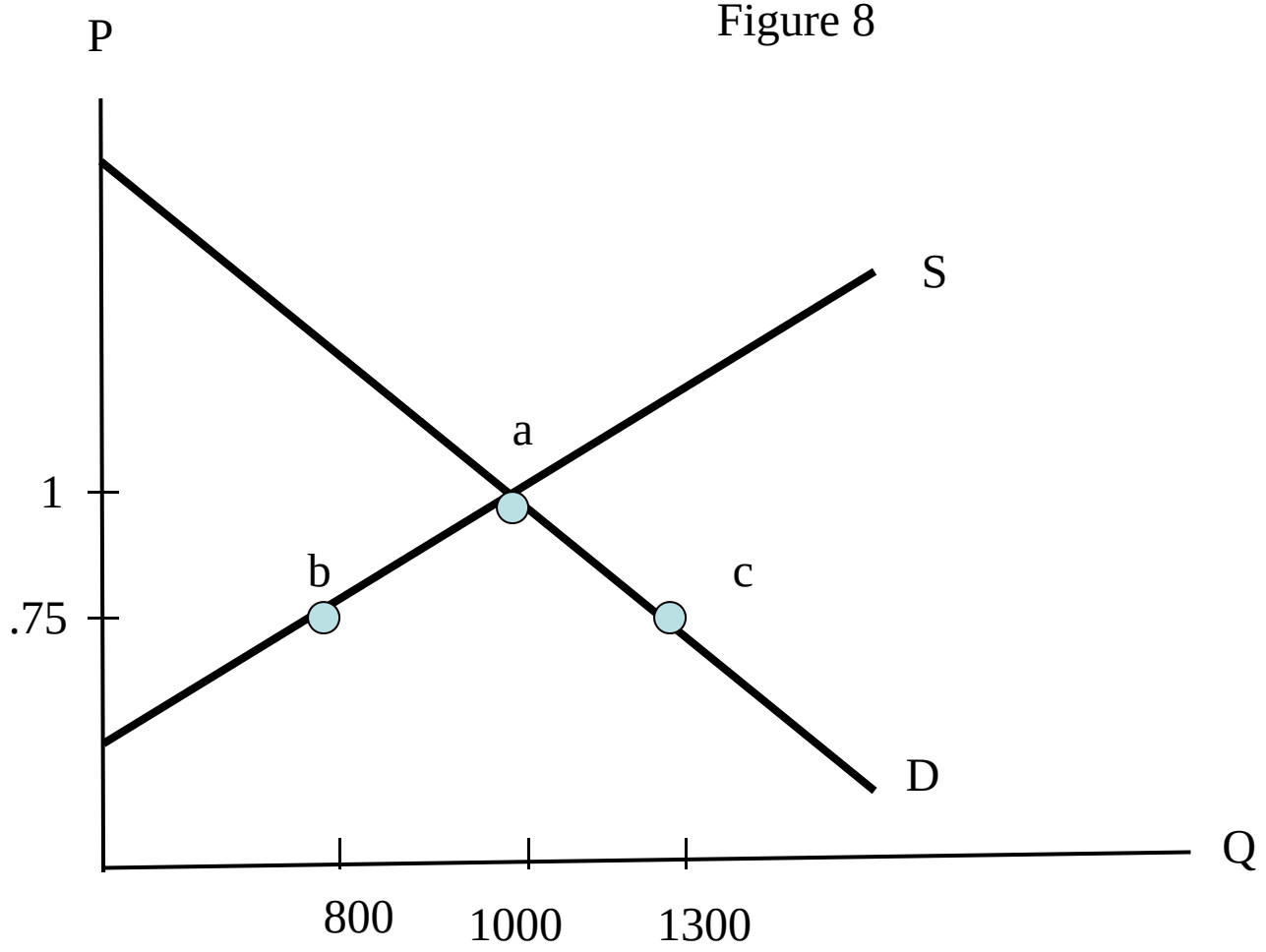


Figure 9

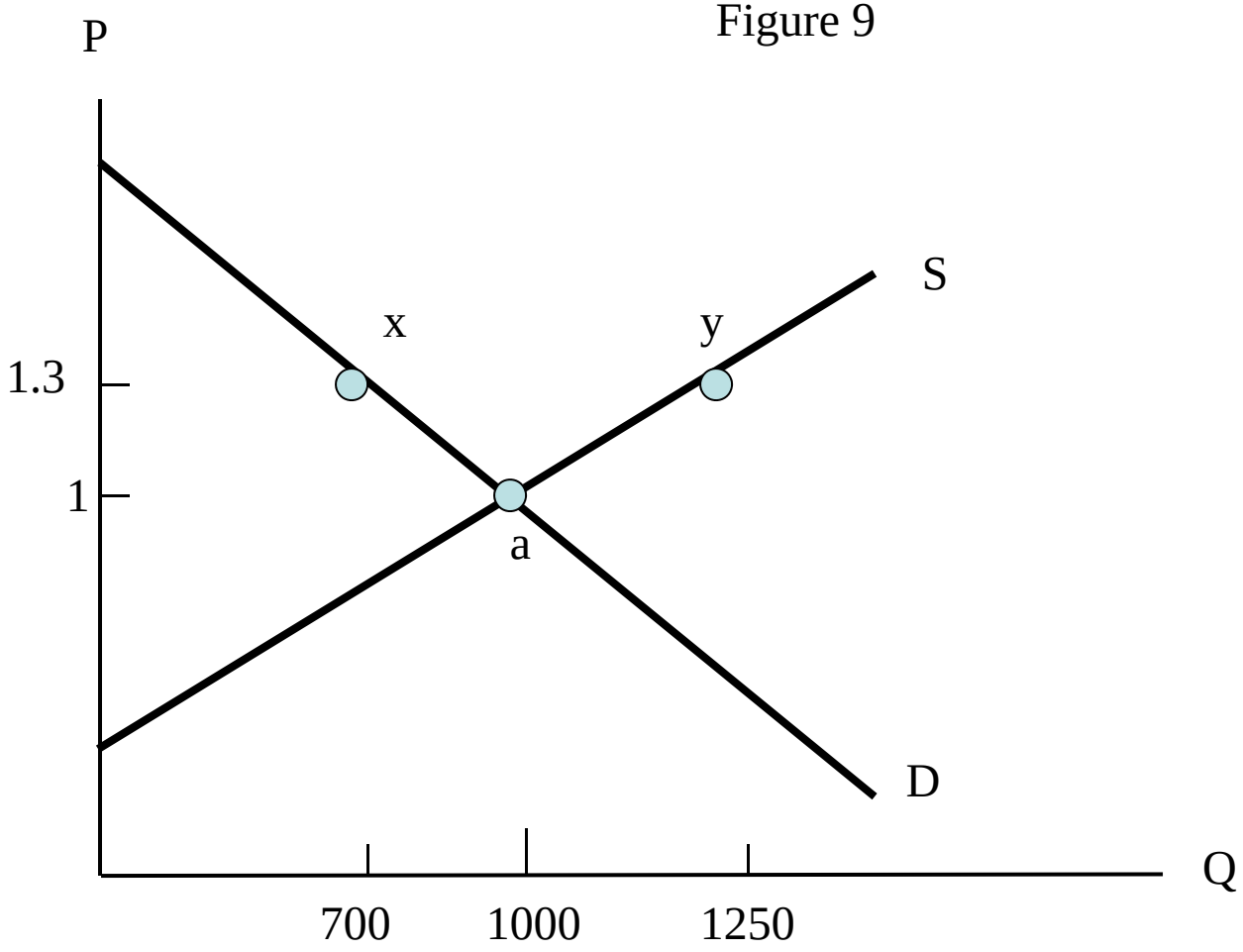


Figure 10

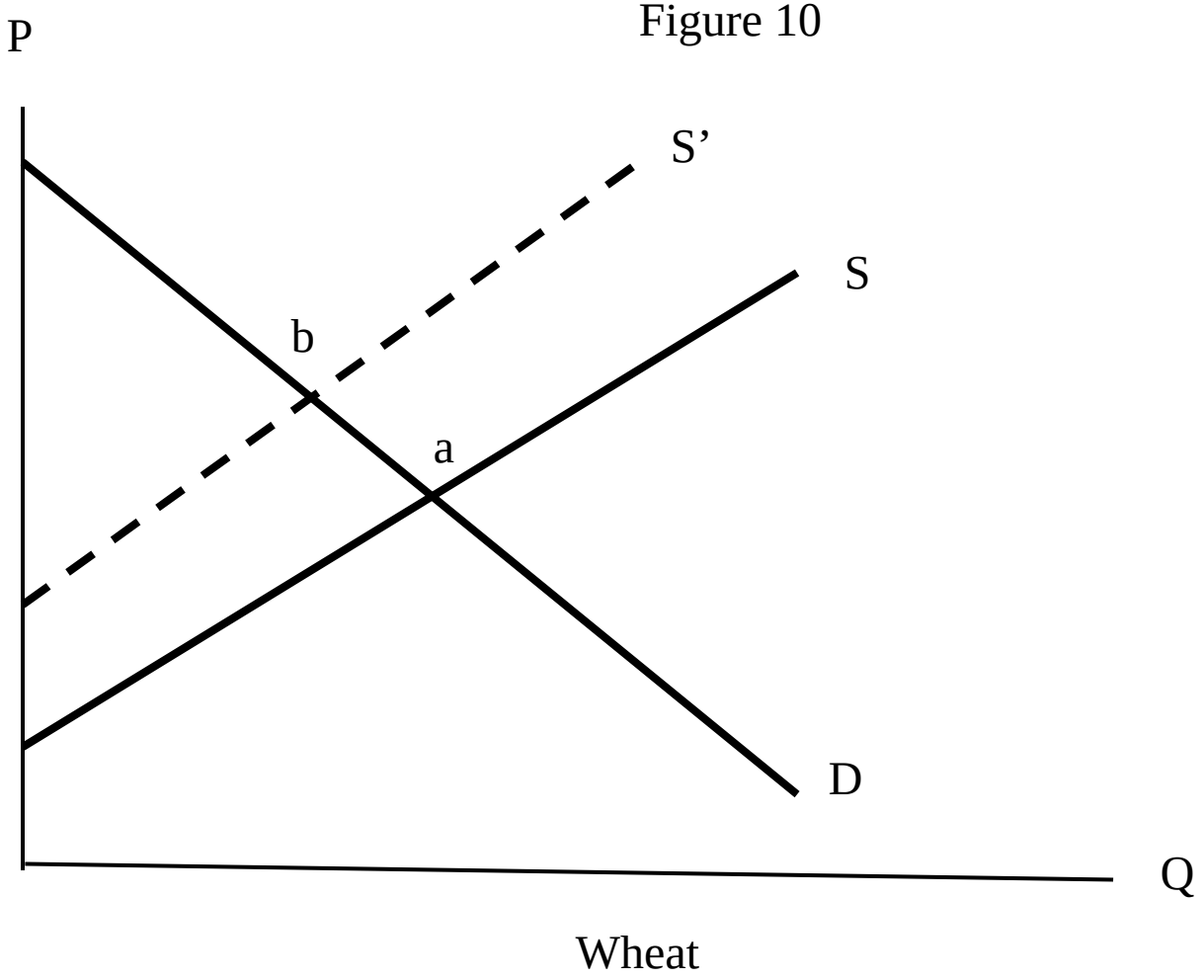


Figure 11

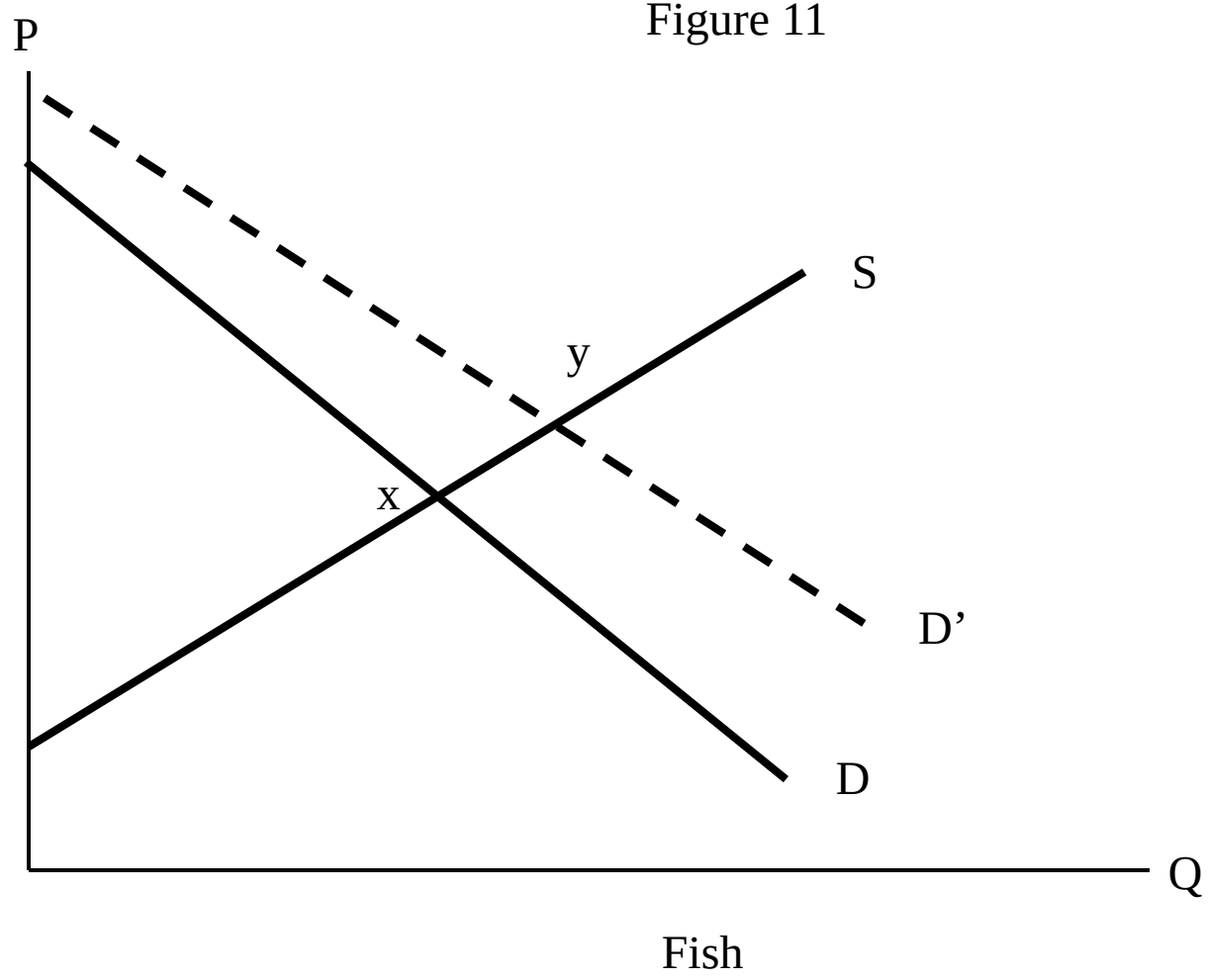


Figure 12

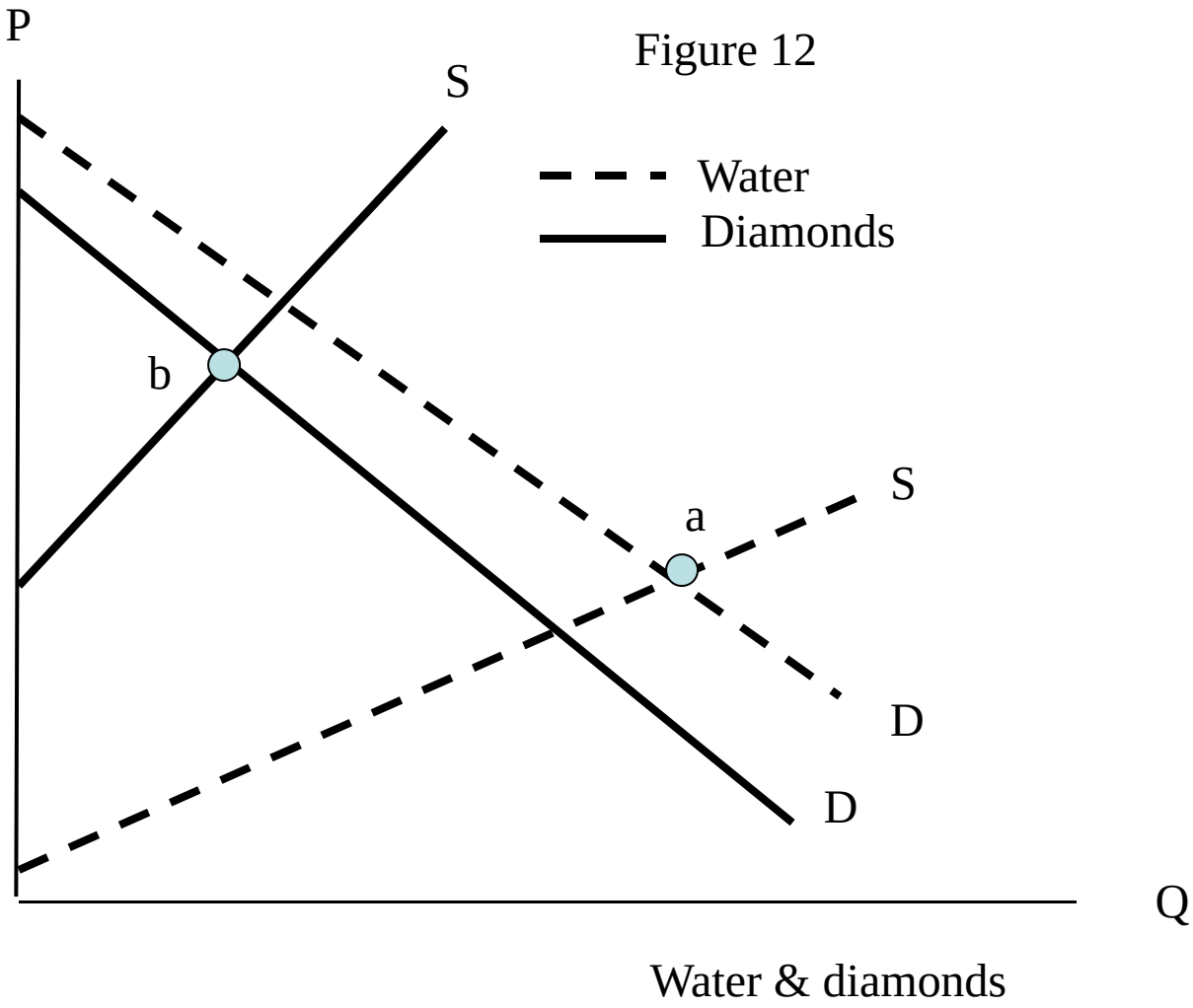
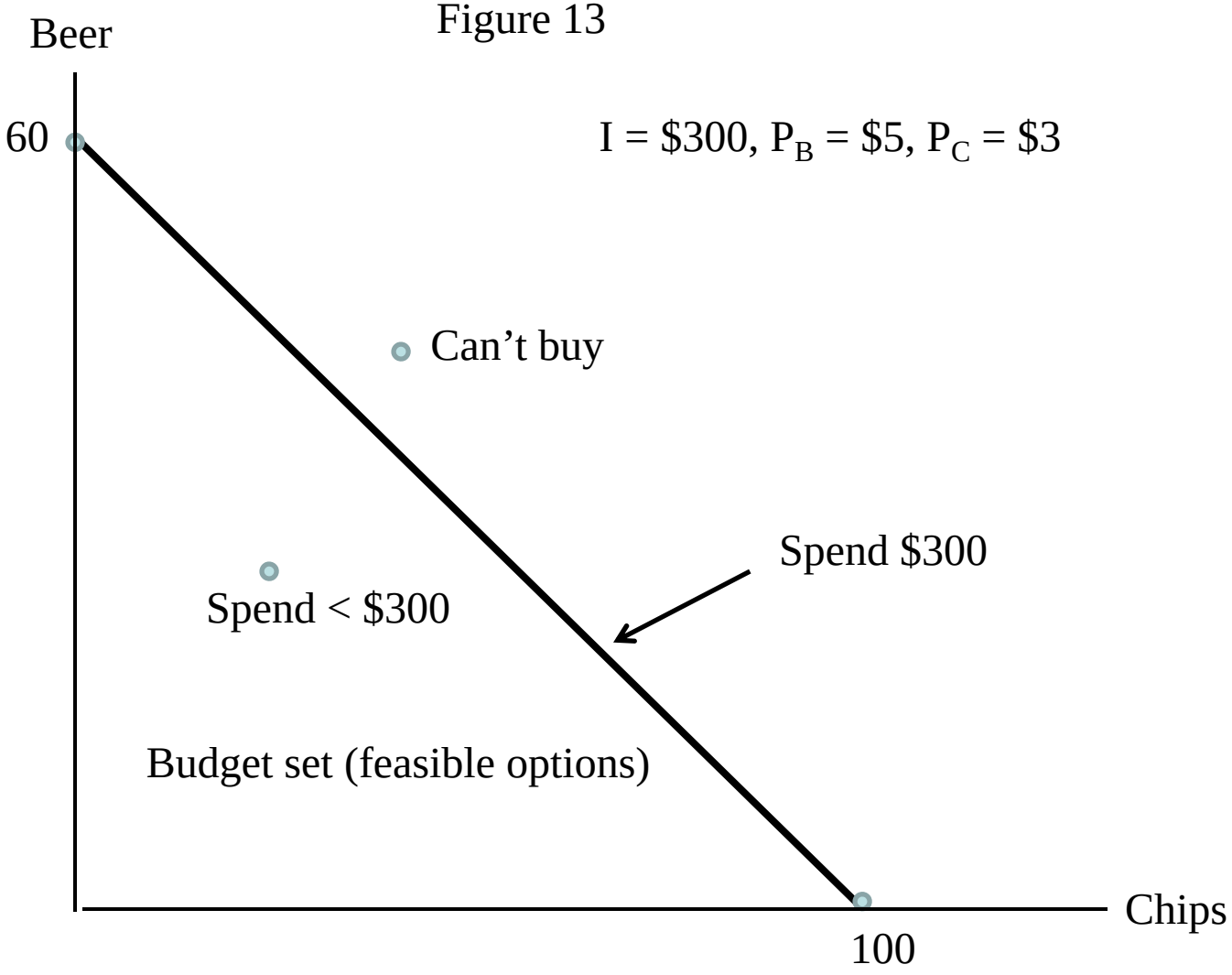
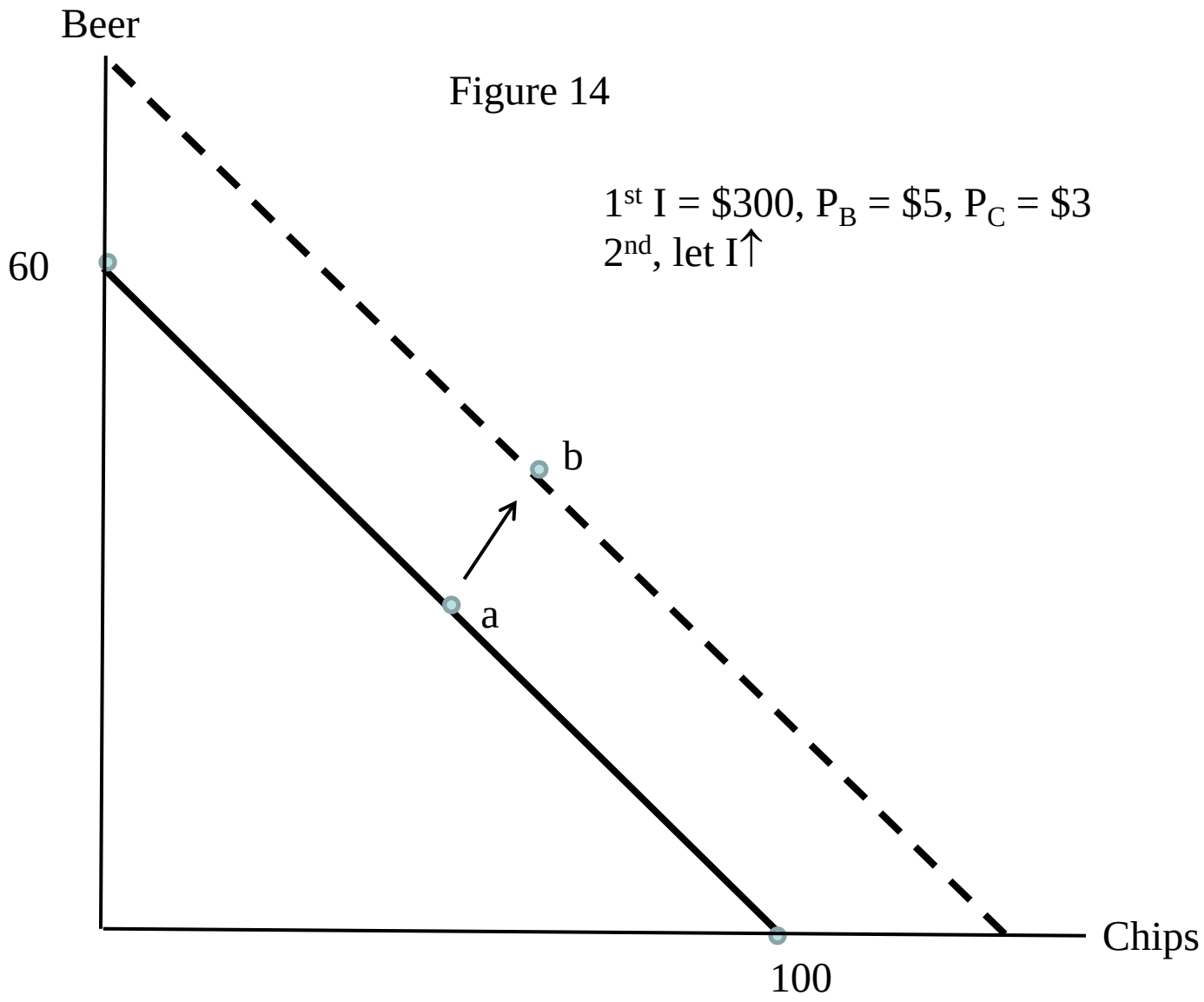


Figure 13


Beer
60
I = $300, P_B = $5, P_C = $3
Can't buy
Spend $300
Spend < $300
Budget set (feasible options)
Chips
100


Beer
Figure 14
1st I = $300, PB = $5, PC = $3
2nd, let I↑
60
b
a
Chips
100

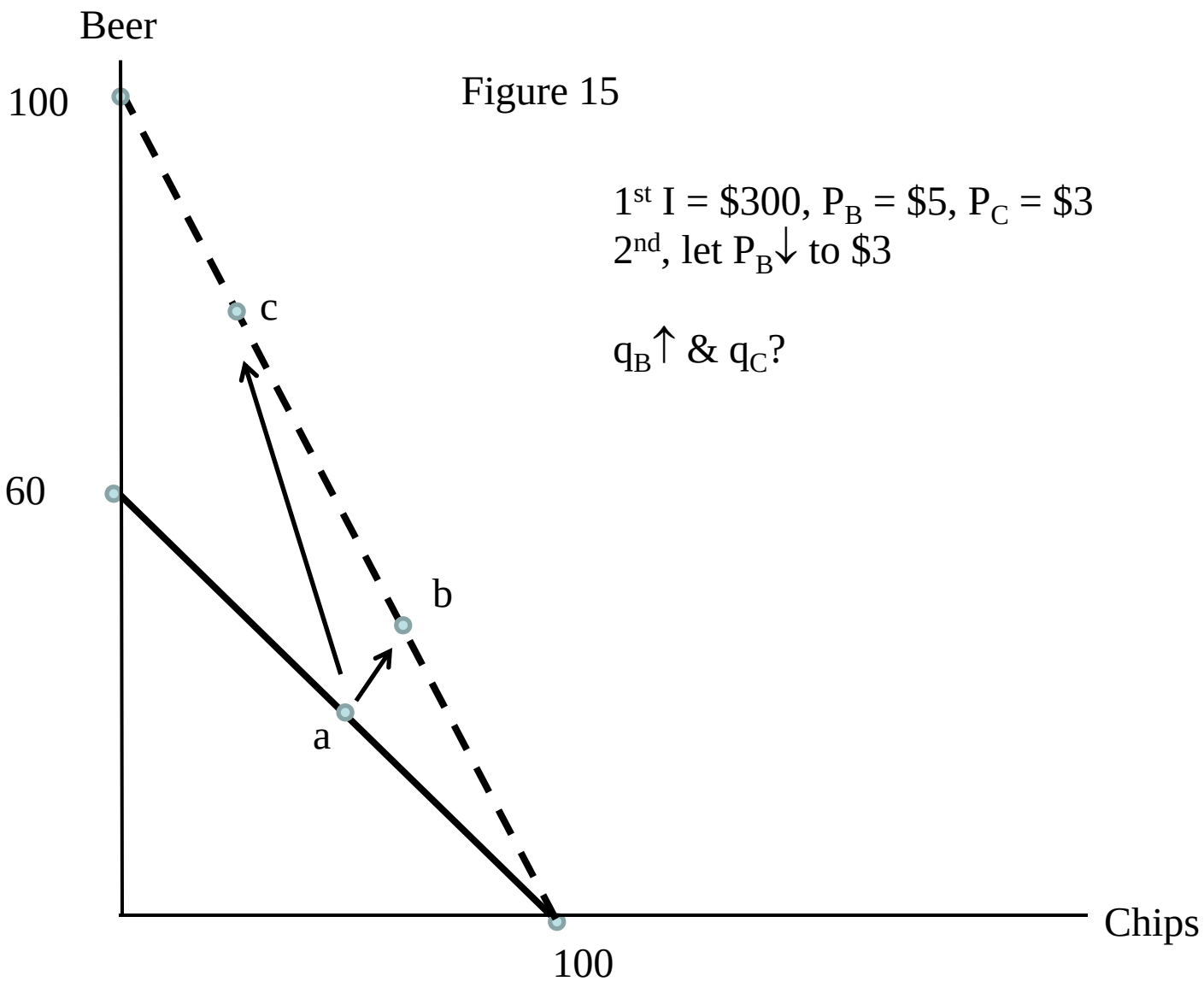


Figure 15

1^{st} I = \$300, P_B = \$5, P_C = \$3
2^{nd}, let $P_B \downarrow$ to \$3

$q_B \uparrow$ & q_C?

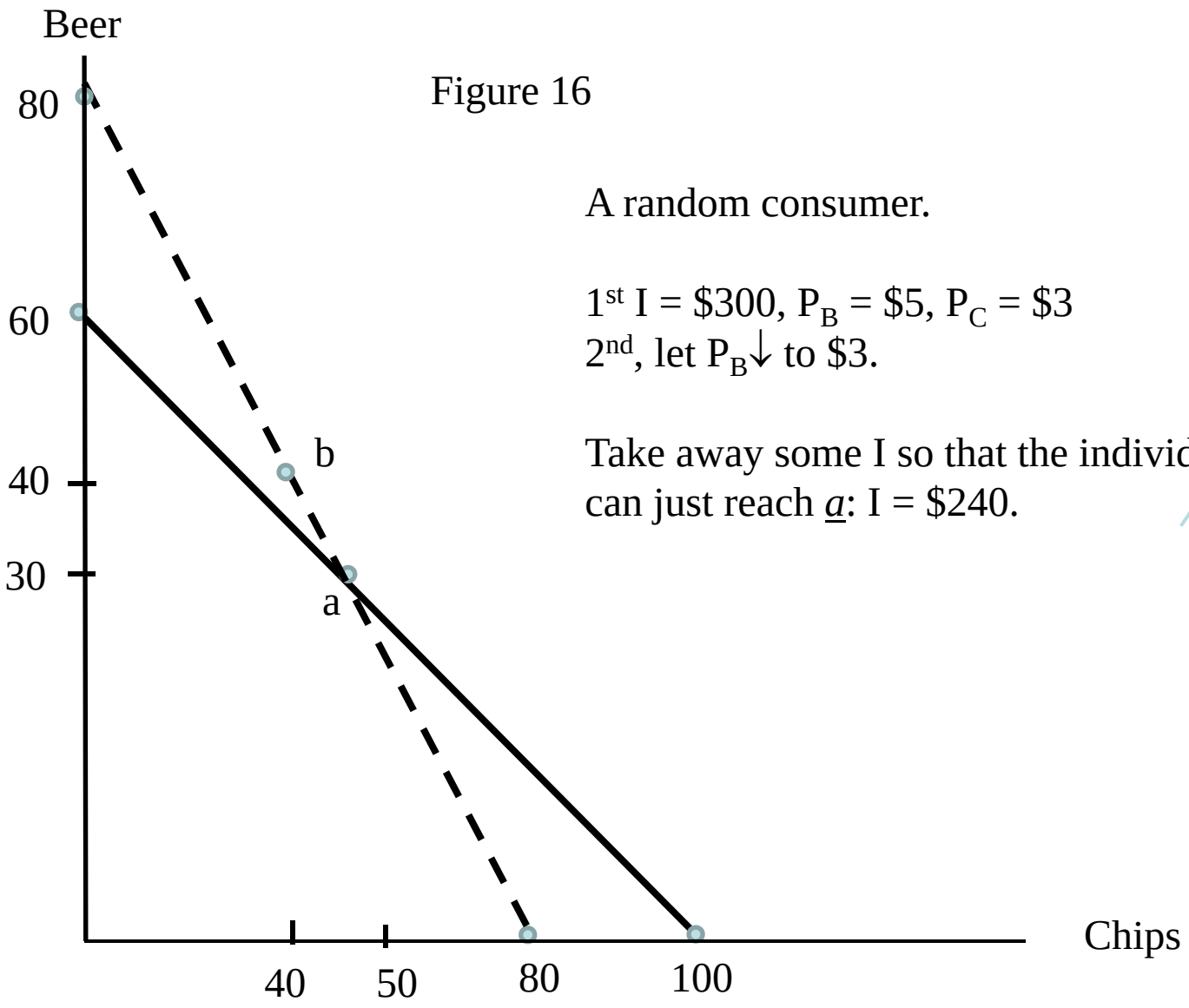


Figure 16

A random consumer.

1st I = \$300, P_B = \$5, P_C = \$3
2nd, let P_B↓ to \$3.

Take away some I so that the individual can just reach *a*: I = \$240.

Figure 17

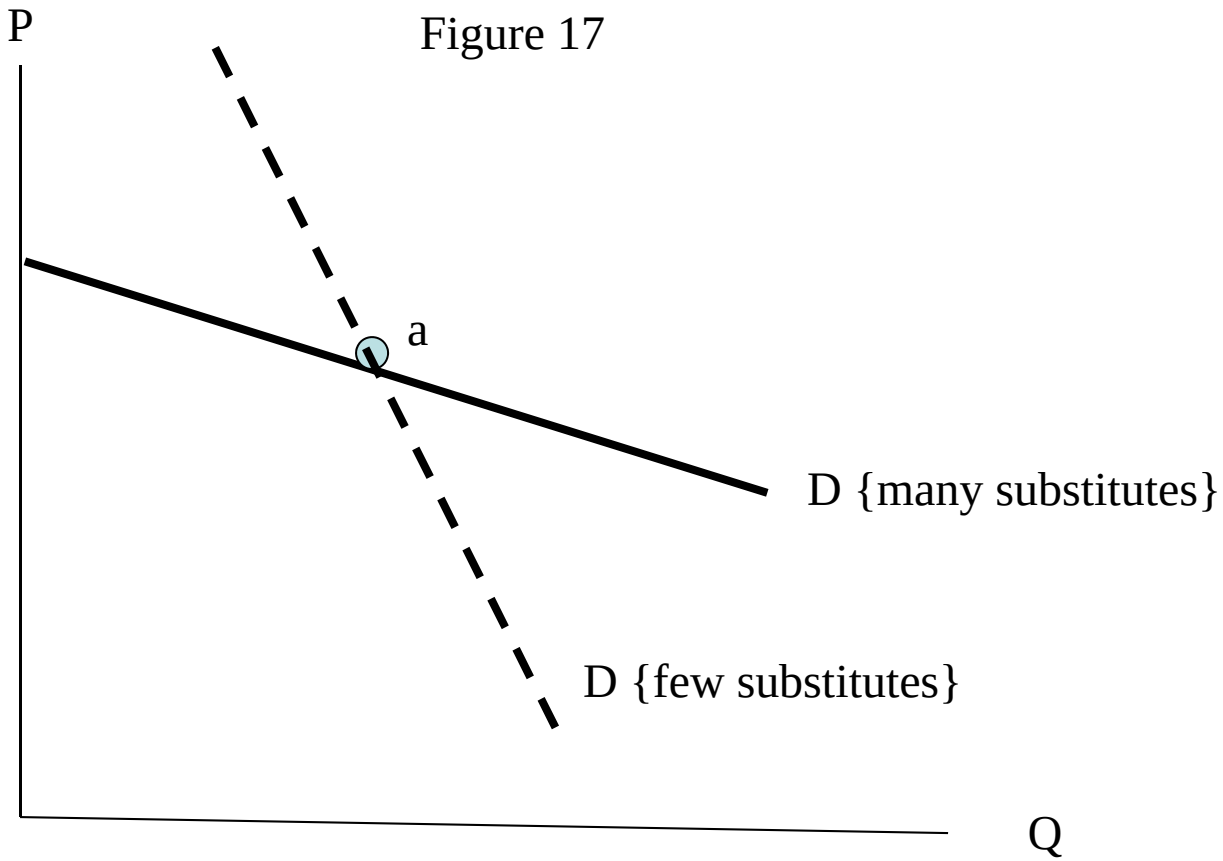


Figure 18

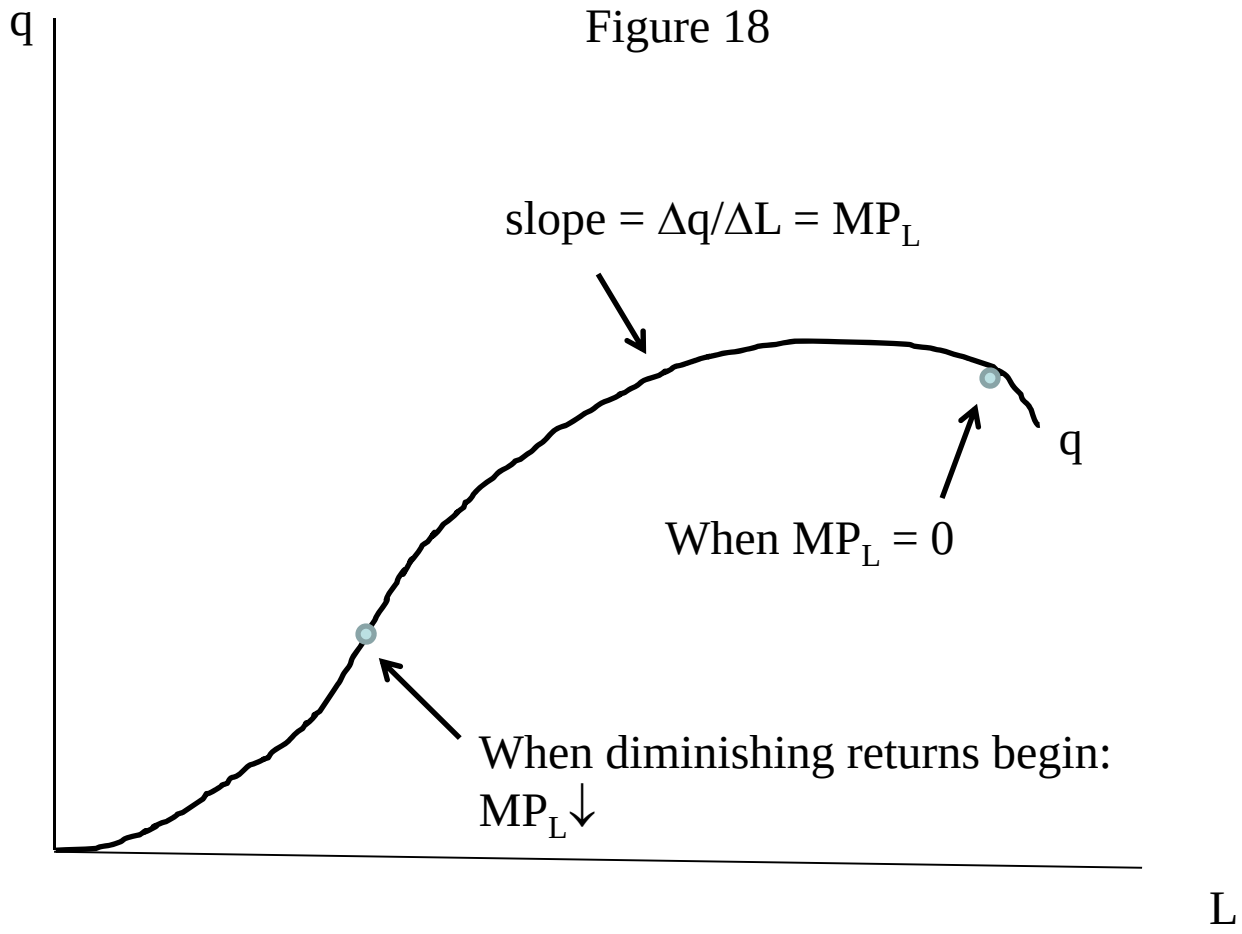

q
slope = Δq/ΔL = MP_L
q
When MP_L = 0
When diminishing returns begin:
MP_L↓
L

Figure 19

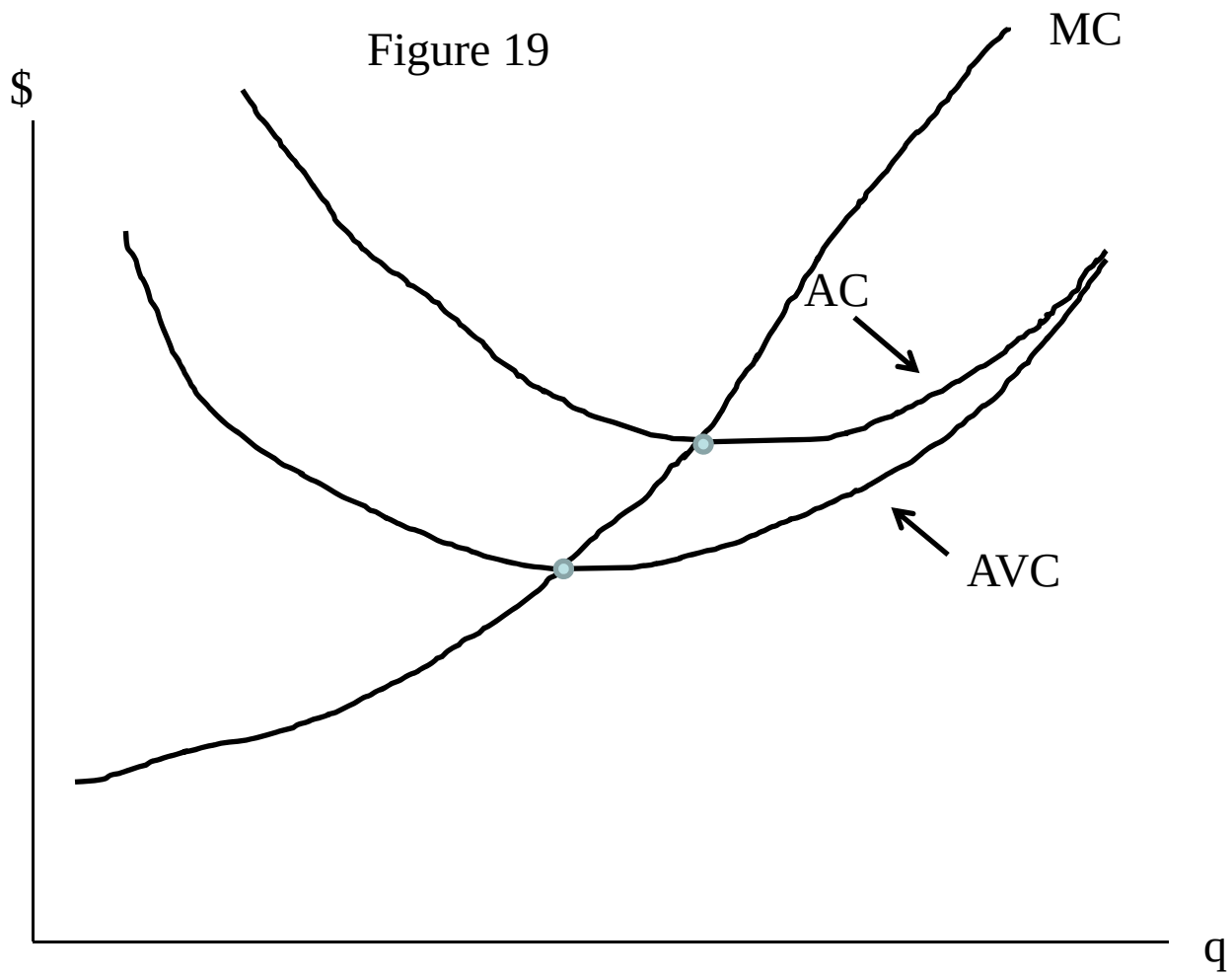


Figure 20

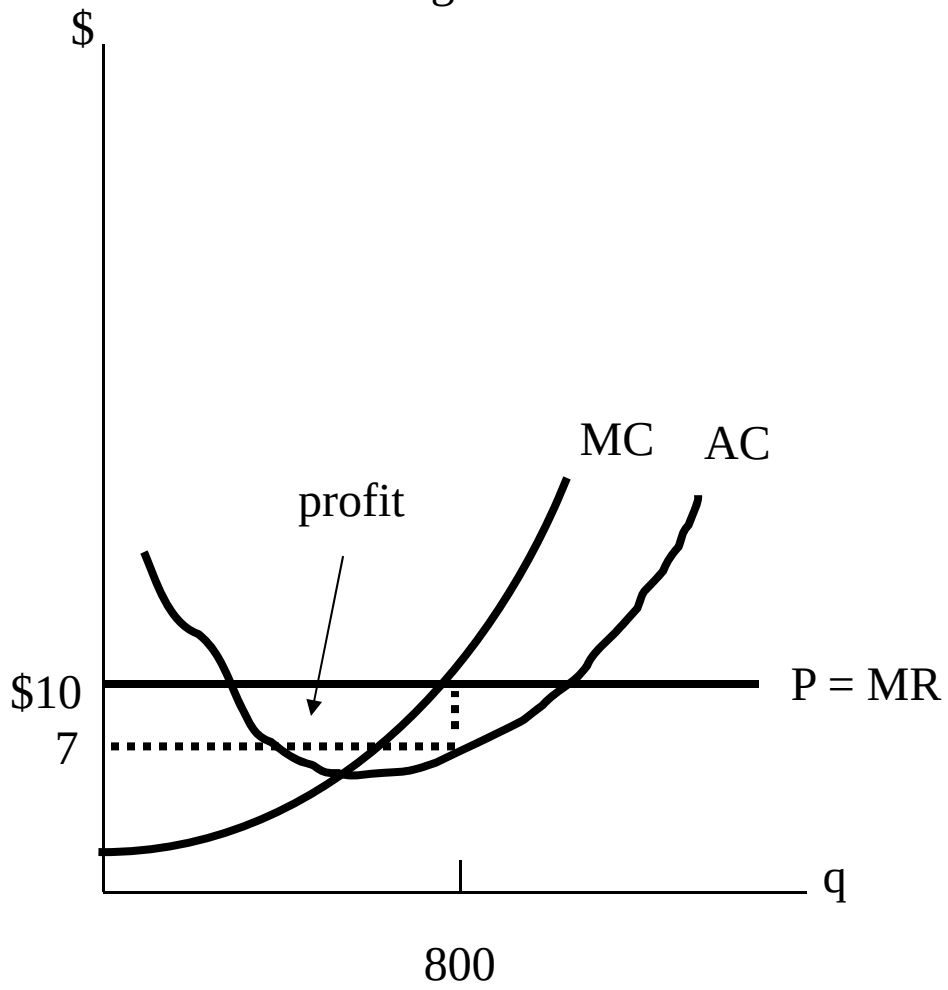


Figure 21

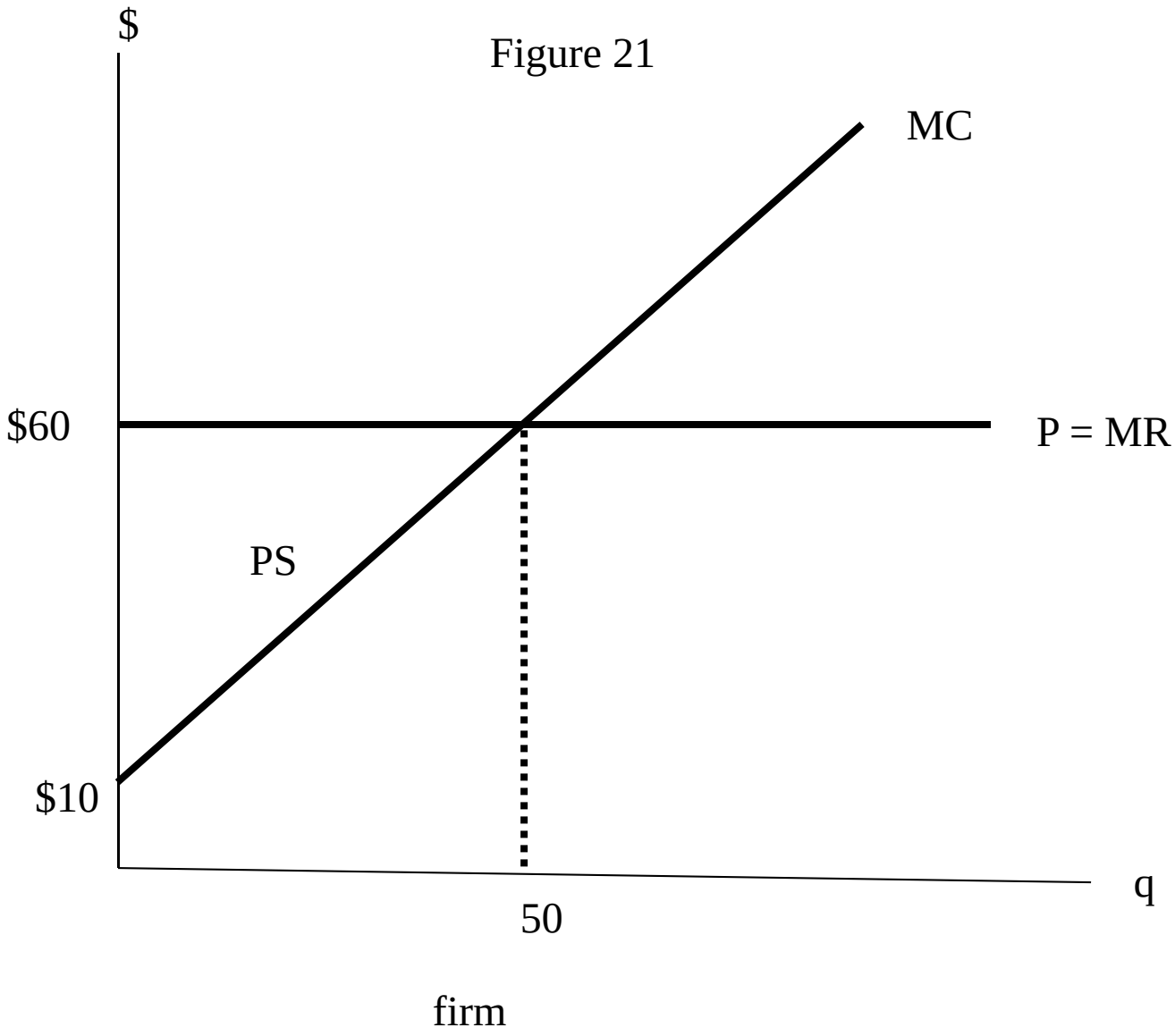


Figure 22

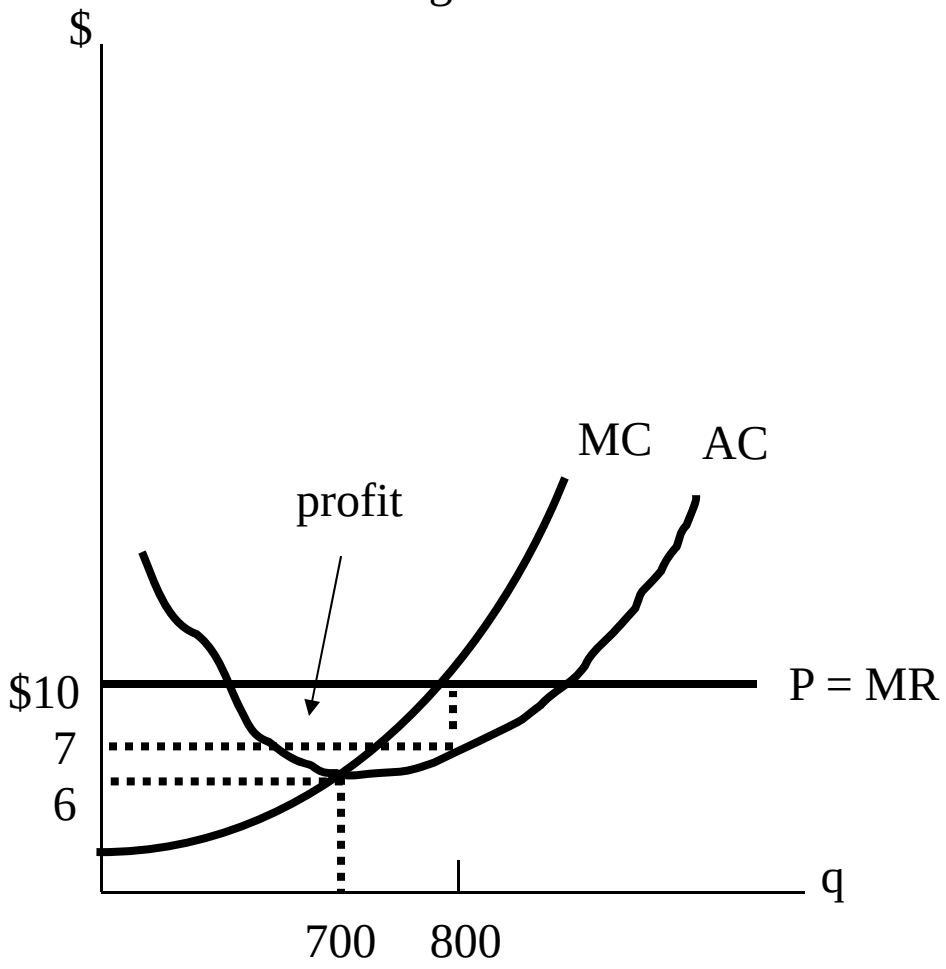


Figure 23

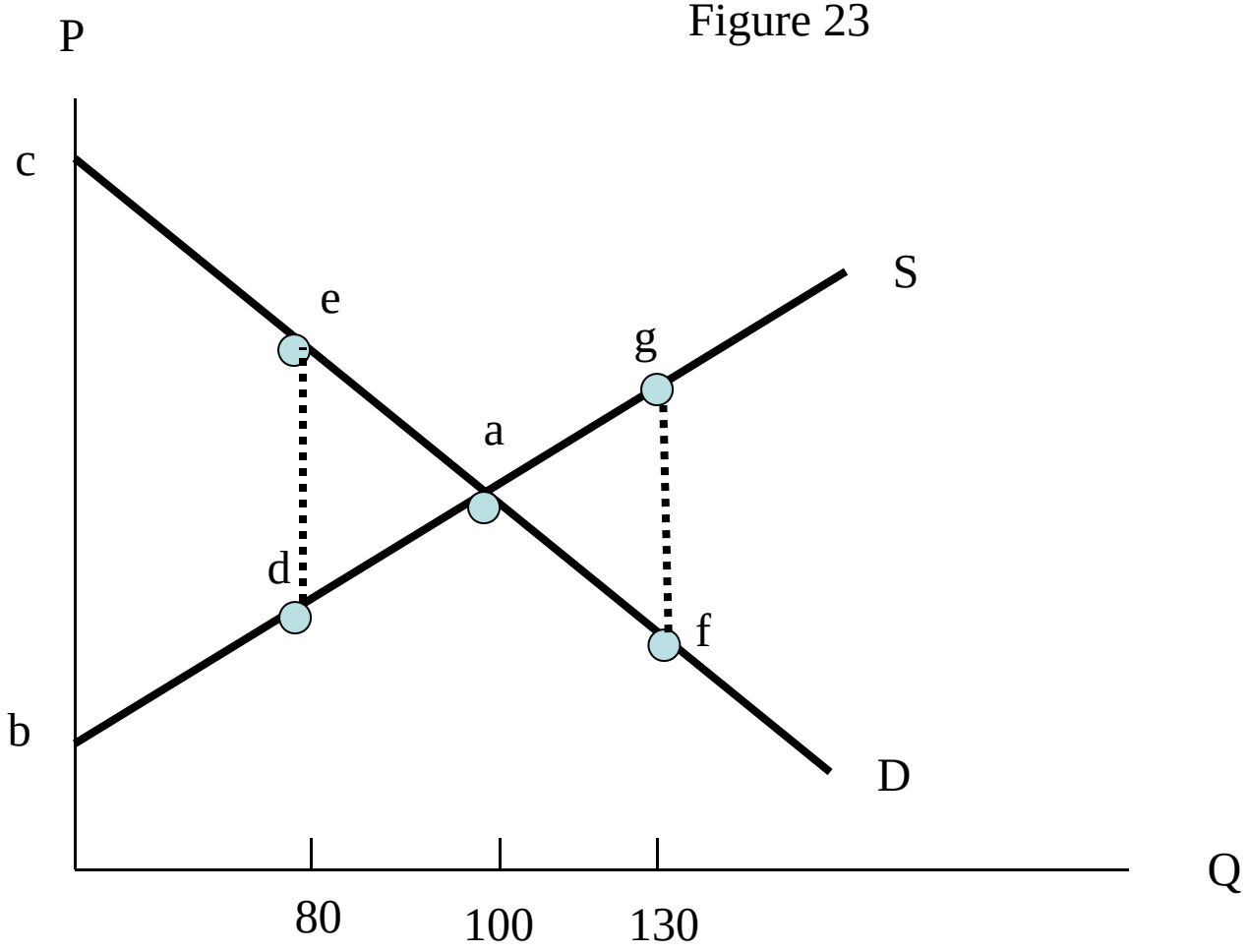


Figure 24

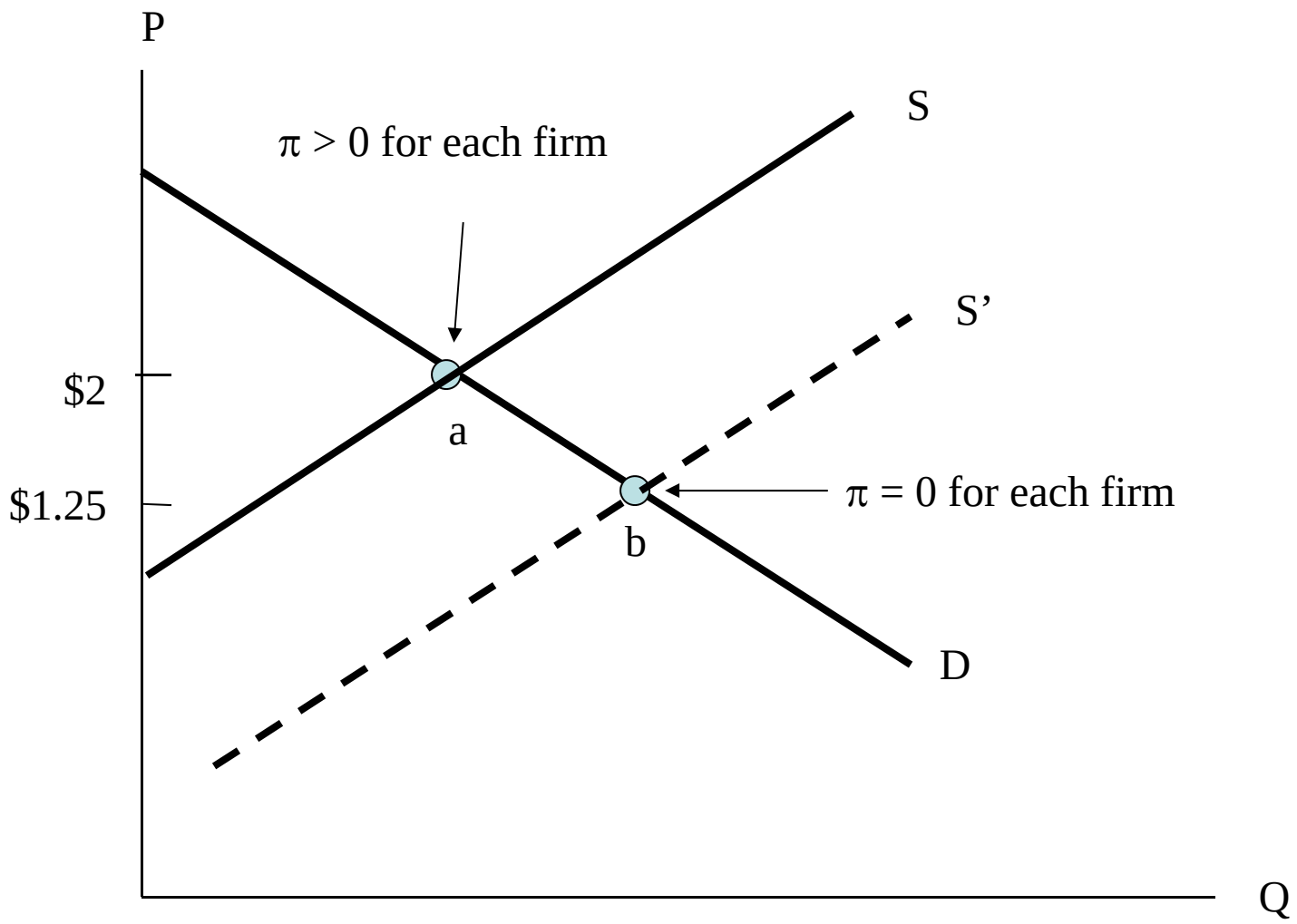


Figure 25

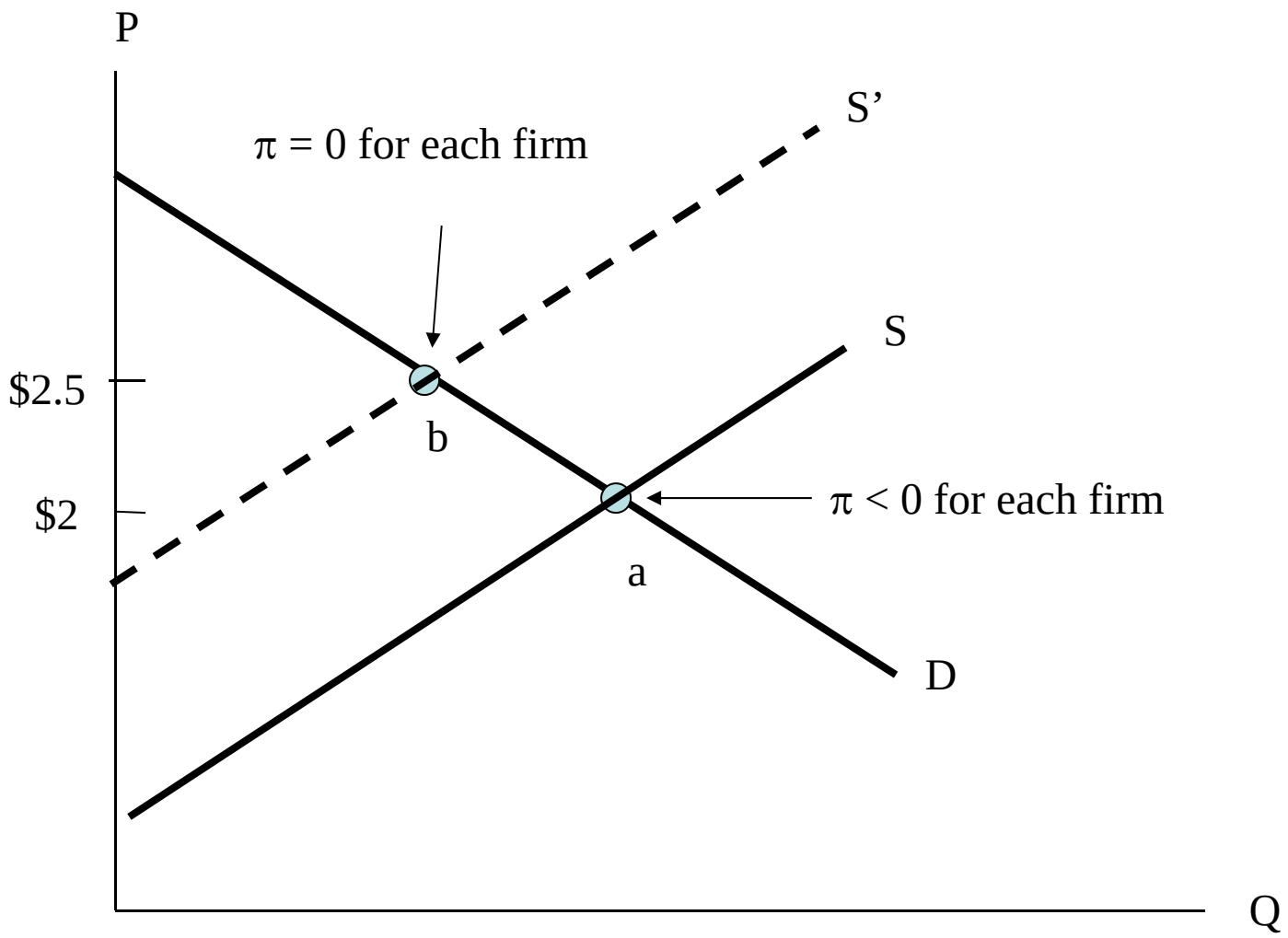


Figure 26

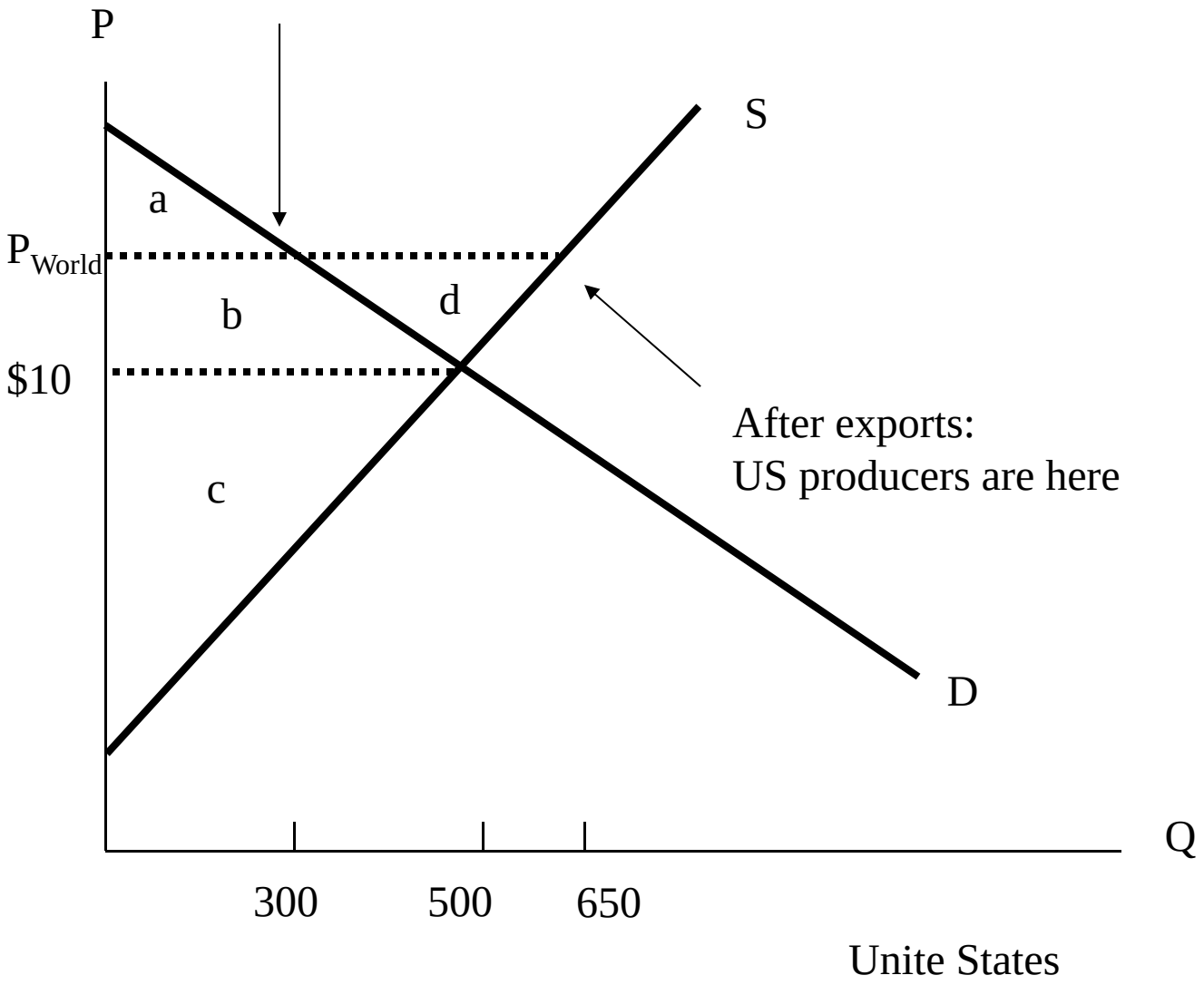

After exports:
US consumers are here
P
S
a
P_{World}
b
d
$10
After exports:
US producers are here
c
D
Q
300
500
650
Unite States

Figure 27

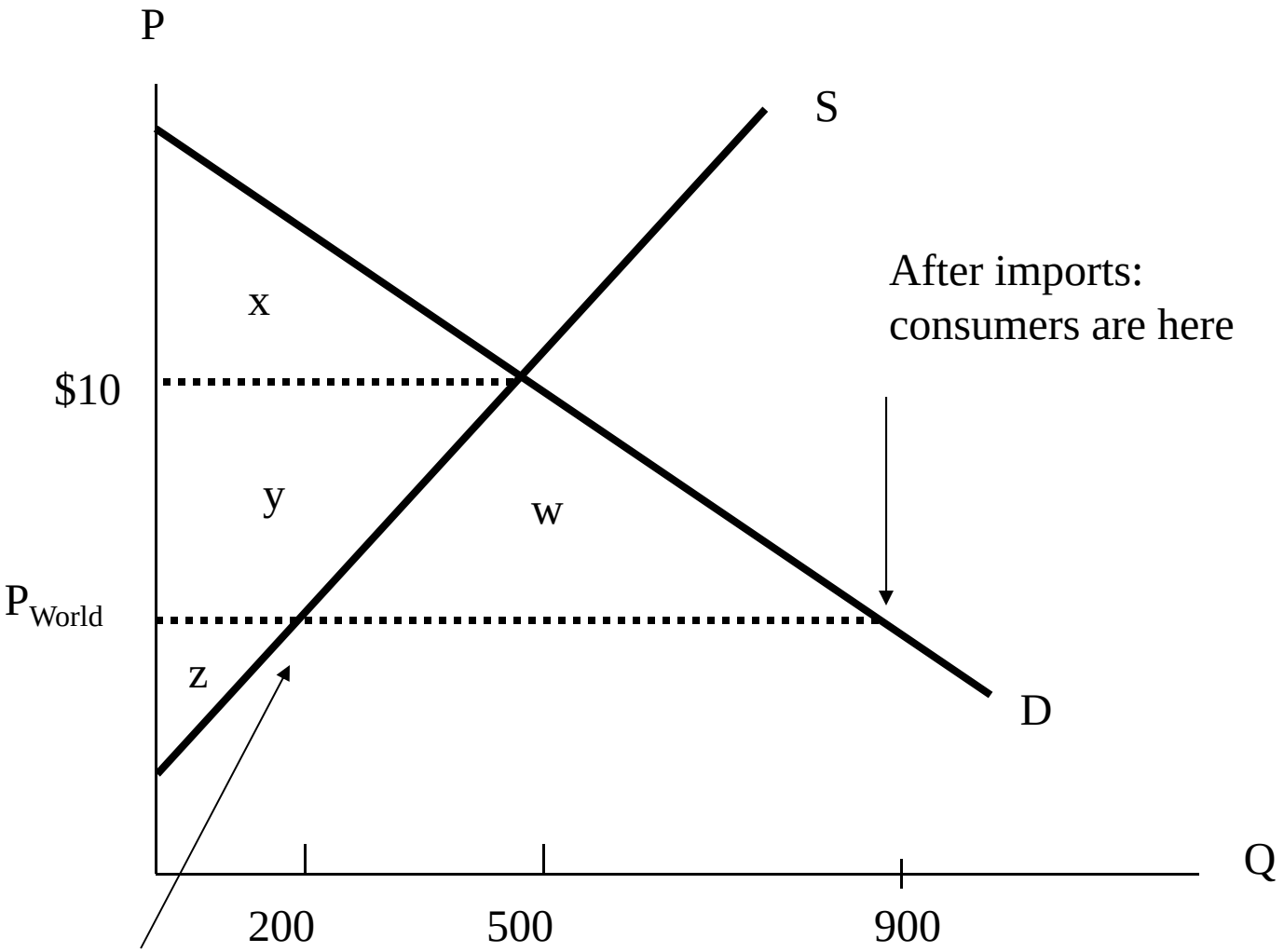

P
S
After imports:
consumers are here
x
$10
y
w
P_{World}
z
D
Q
200
500
900
After imports:
producers are here
United States

Figure 28

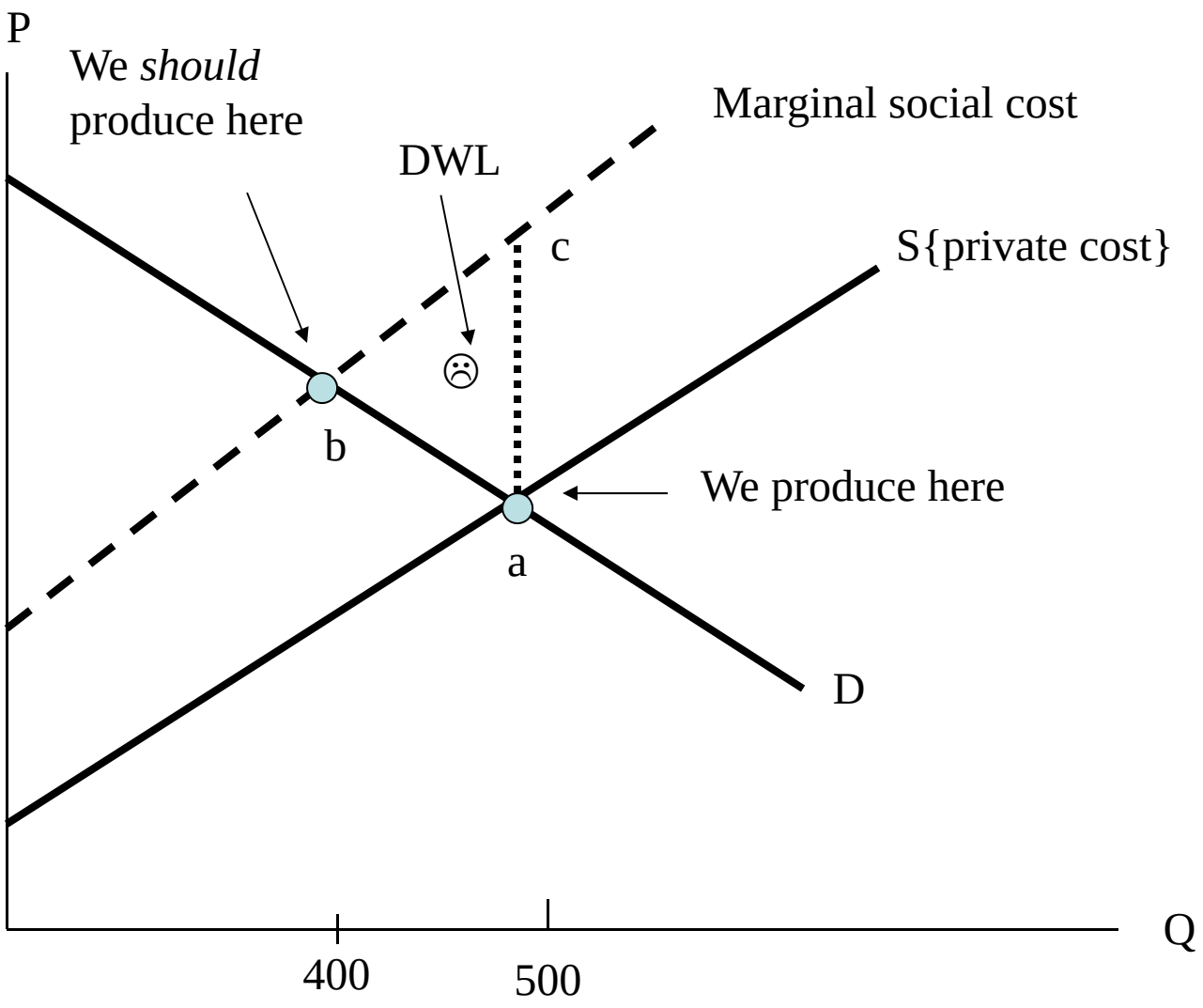

P
We *should* produce here
Marginal social cost
DWL
c
S{private cost}
b
We produce here
a
D
Q
400
500

Figure 29

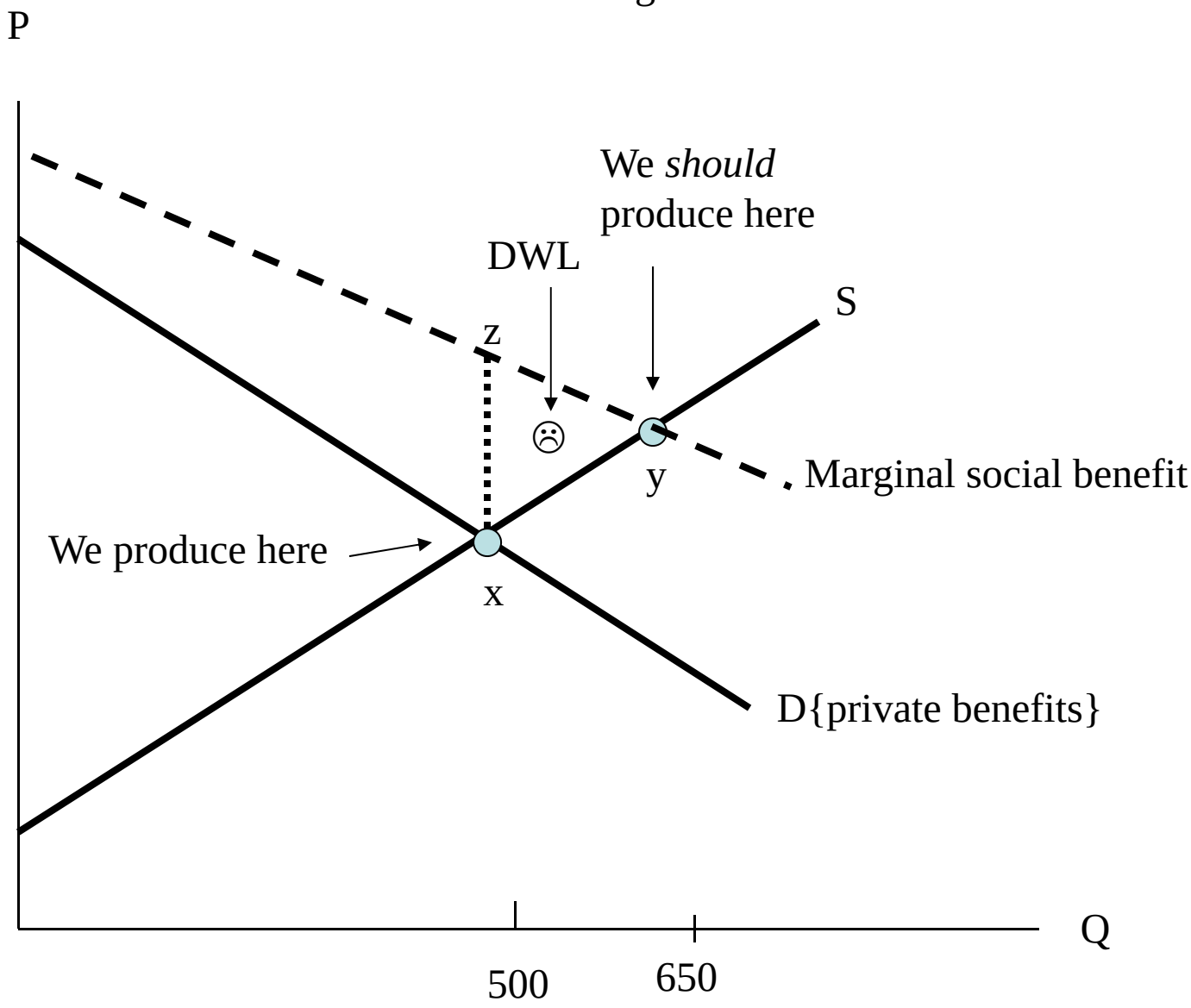

P
We *should*
produce here
DWL
S
z
☹
y
Marginal social benefit
We produce here
x
D{private benefits}
Q
500
650

Figure 30

Tax on sellers. Draw S' only where it crosses D.

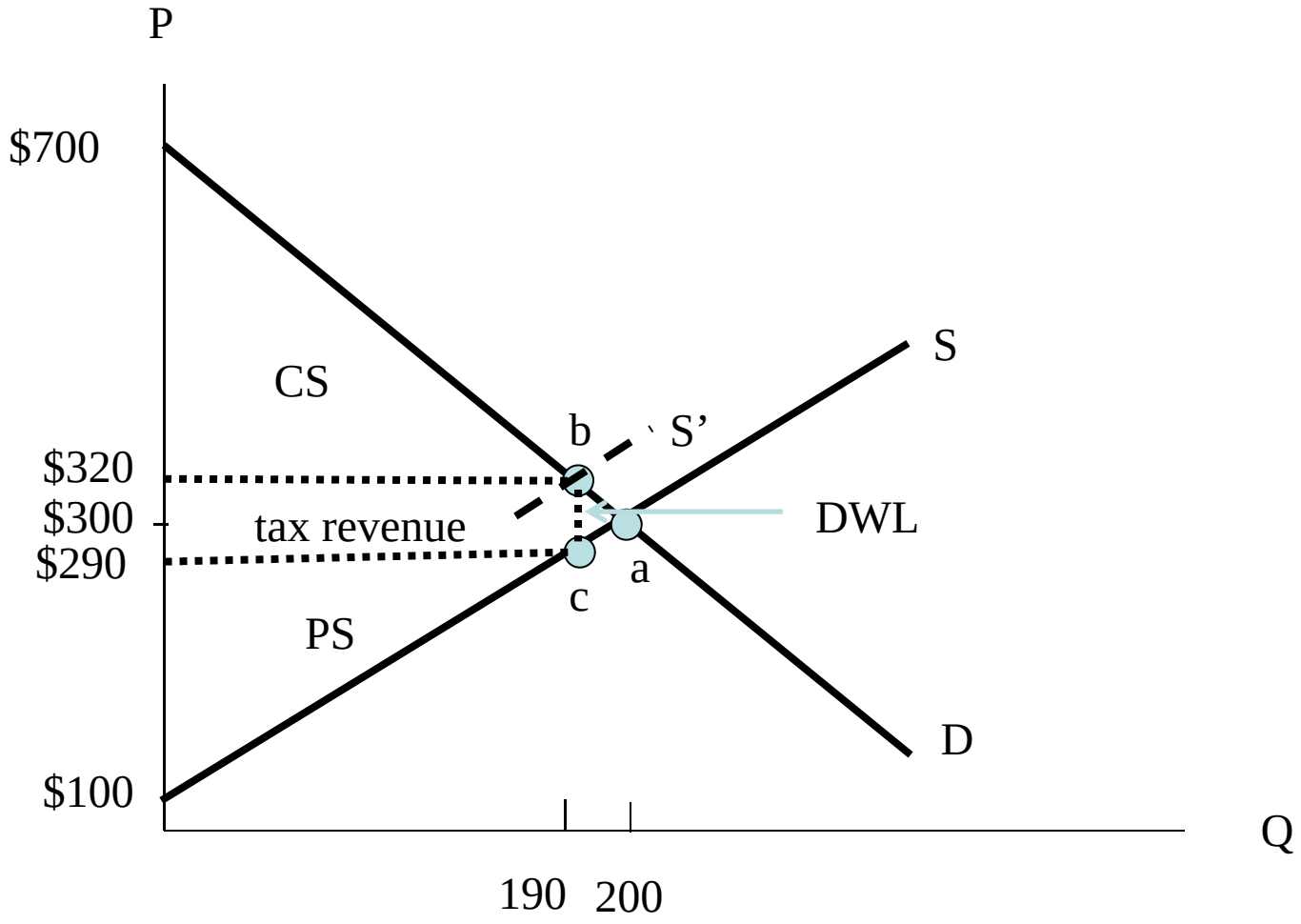


Figure 31

Tax on buyers. Draw D’ only where it crosses S.

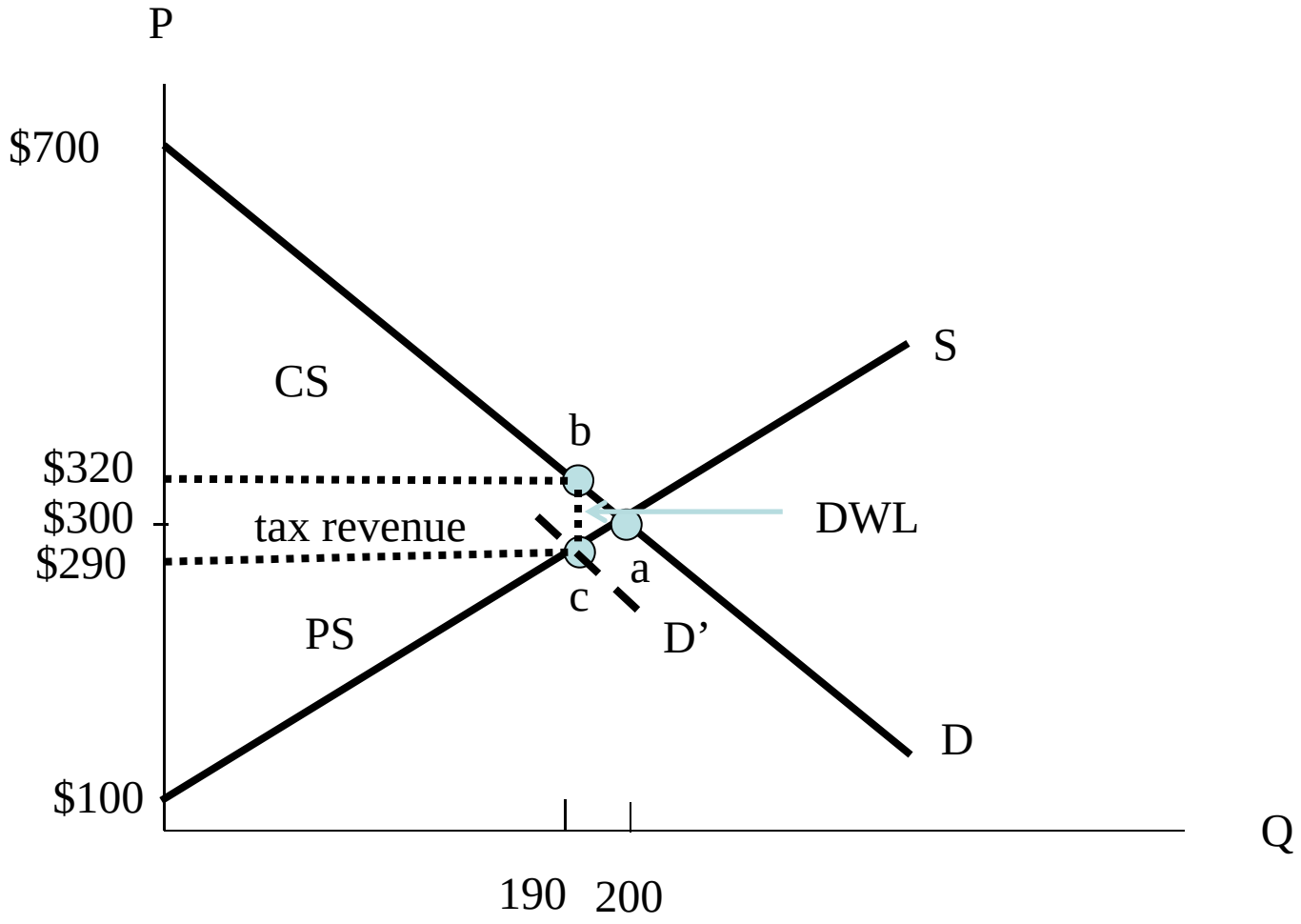


Figure 32

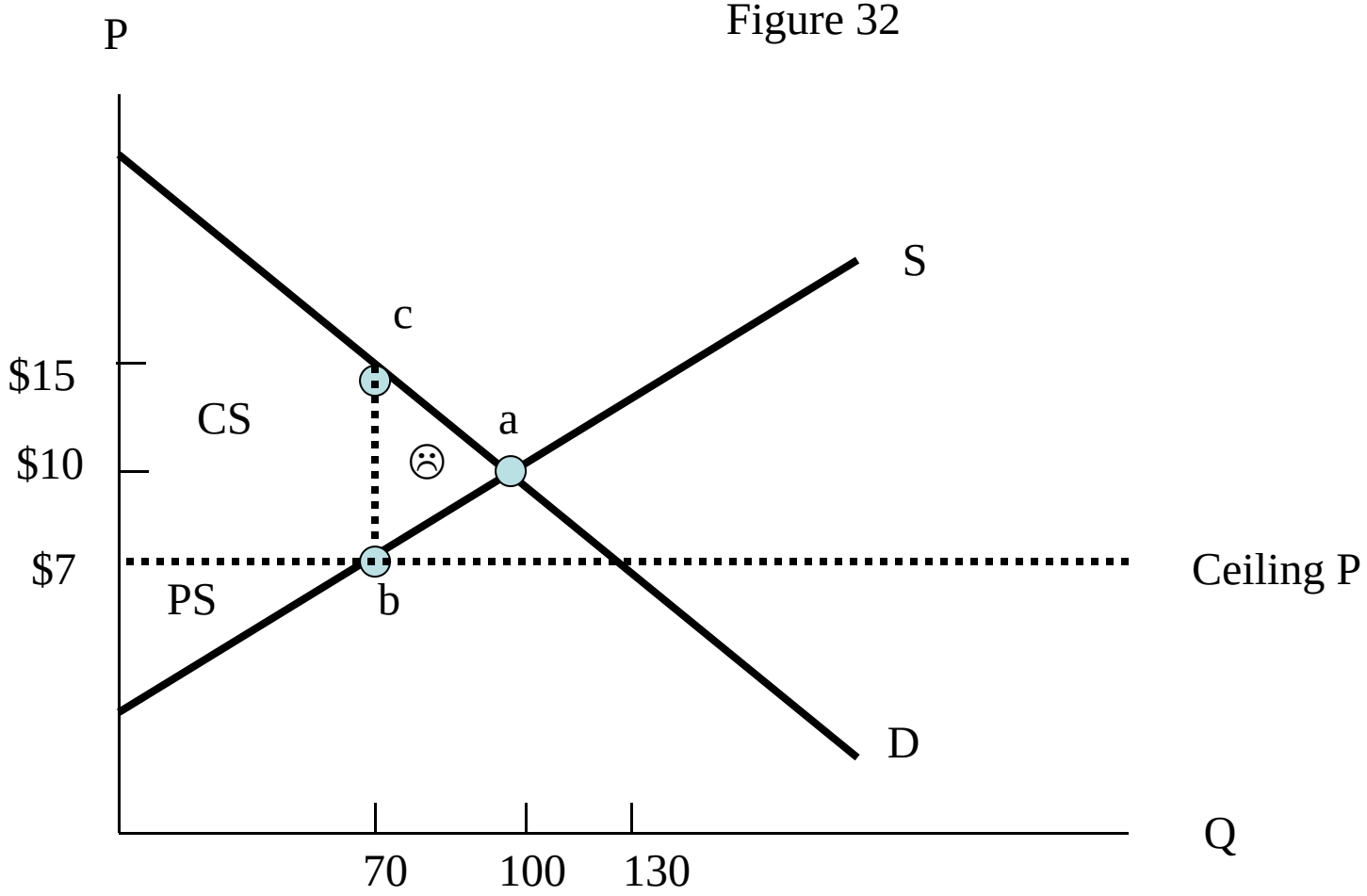


Figure 33

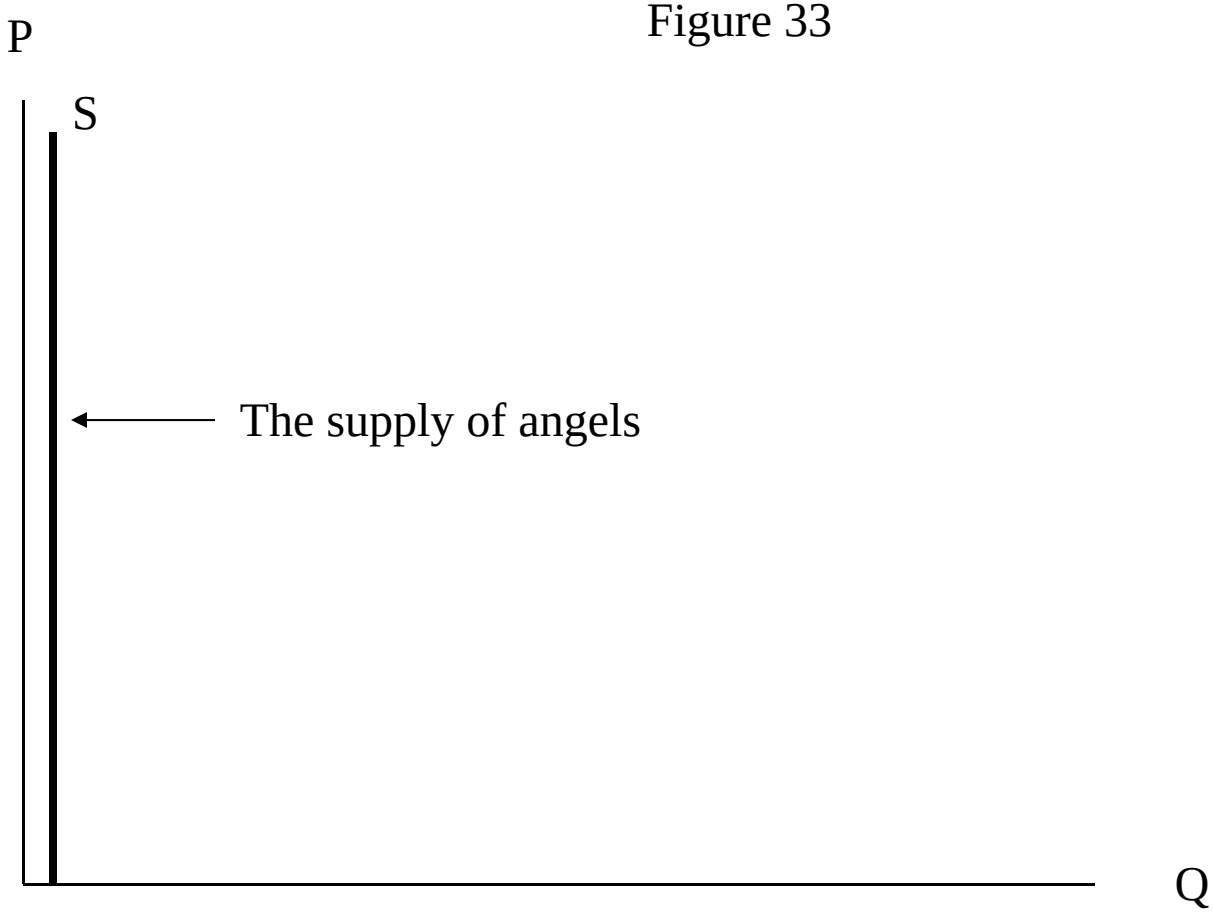


Figure 34

A firm in a competitive labor market.

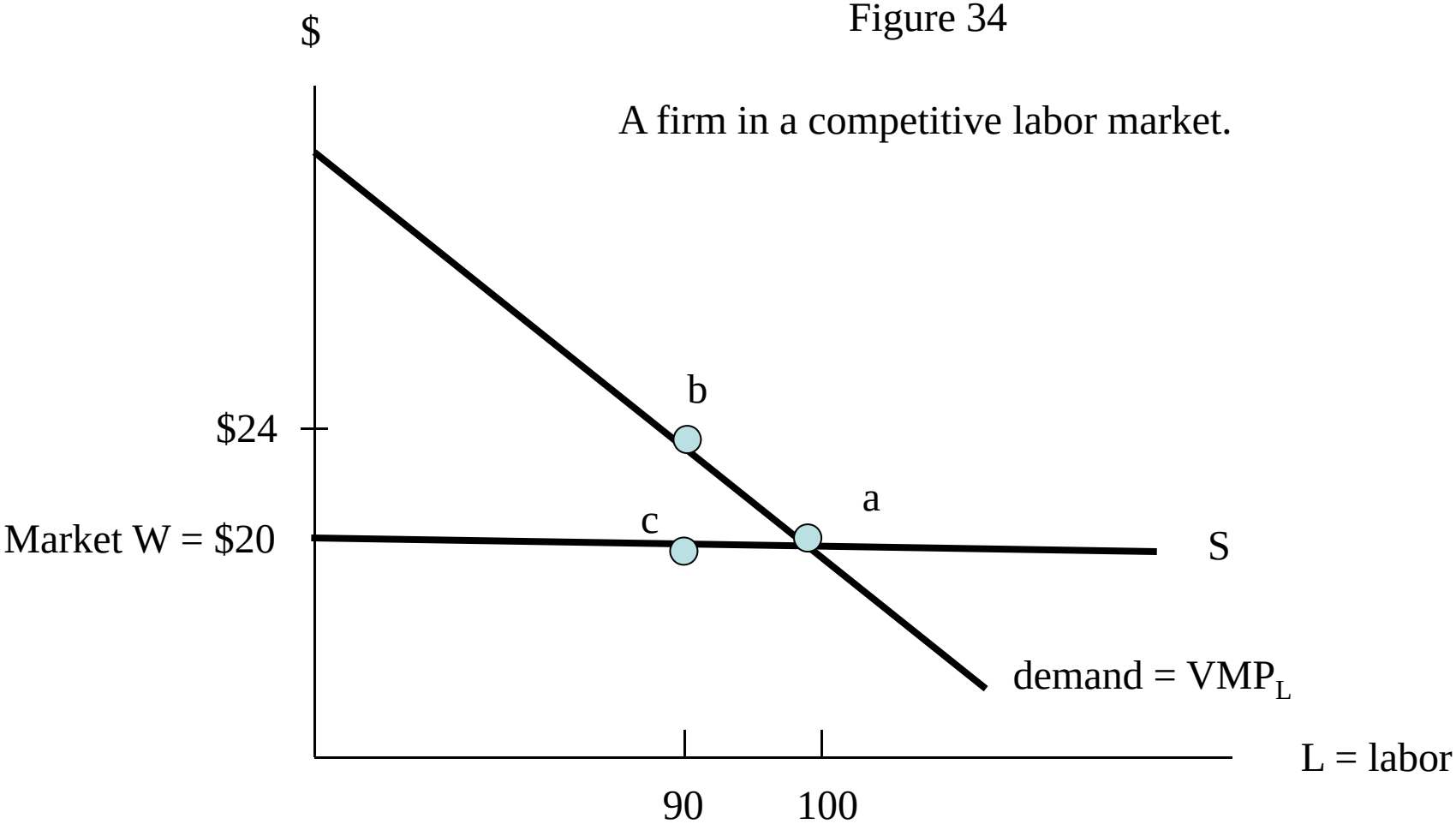
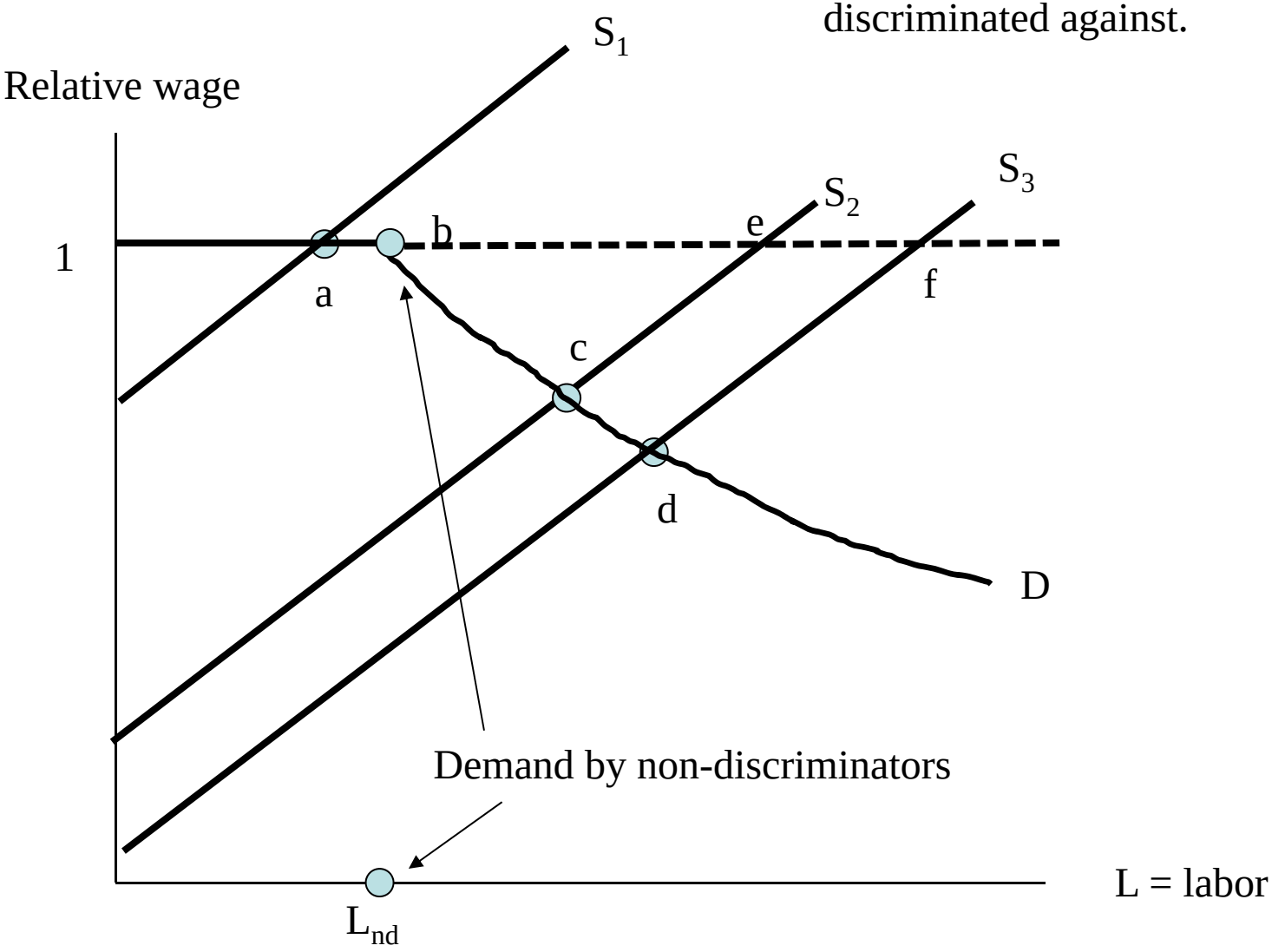


Figure 35

Labor market for a group discriminated against.



Pts. *a*, *c*, & *d*: relative wage for the group facing discrimination = w_d/w^*

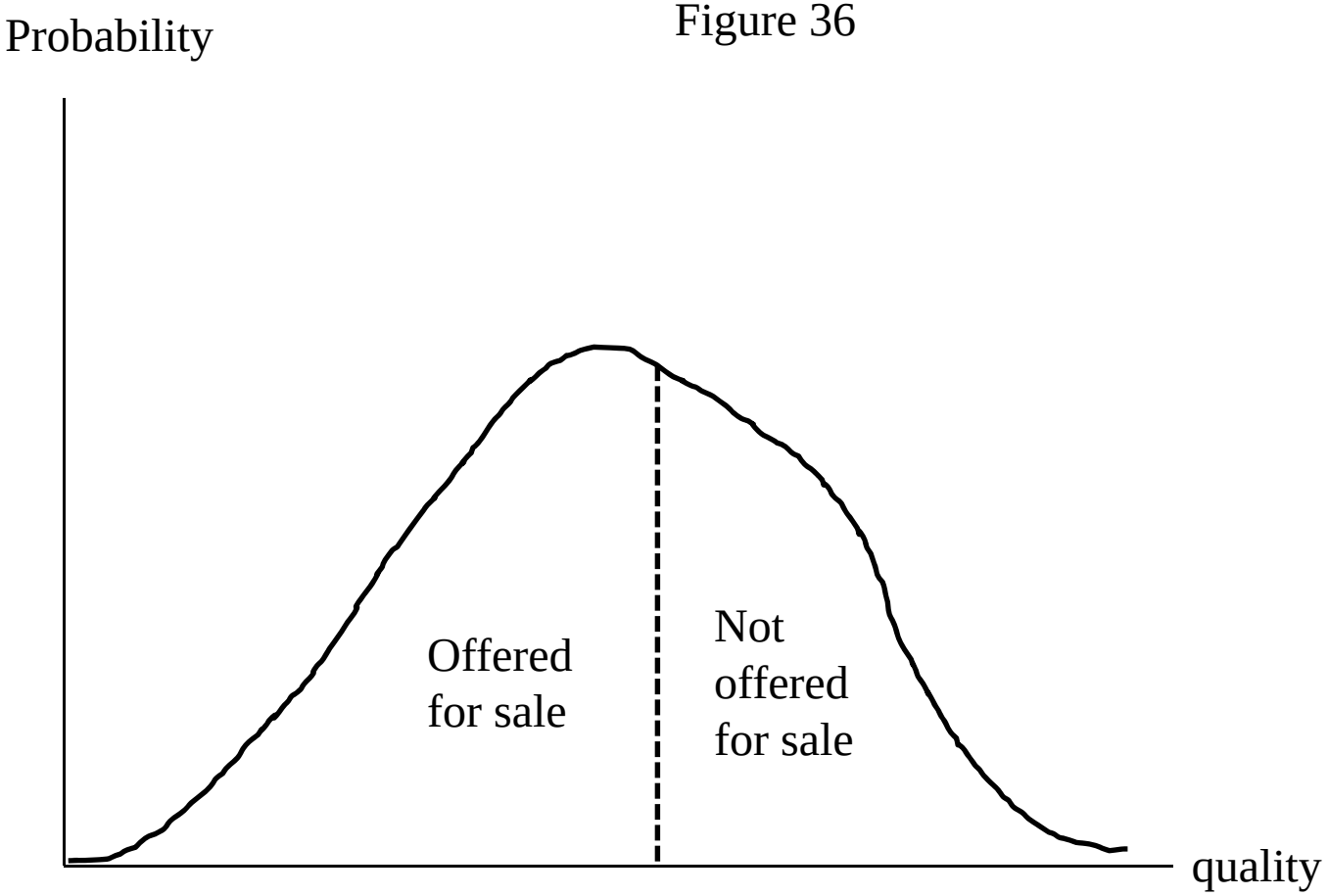



Figure 36