MAKE ME THE SUBJECT

tutor2u

MICROECONOMICS

Name	Main formula	Rearrangements needed
Price elasticity of demand	$PED = \frac{\%\Delta Qd}{\%\Delta P}$	$\%\Delta Qd = PED \times \%\Delta P$ $\%\Delta P = \%\Delta Qd \div PED$
Income elasticity of demand	$YED = \frac{\%\Delta D}{\%\Delta Y}$	$\%\Delta D = YED \times \%\Delta Y$ $\%\Delta Y = \%\Delta D \div YED$
Cross elasticity of demand	$XED = \frac{\%\Delta Qd_A}{\%\Delta P_B}$	$\%\Delta Qd_A = XED \times \%\Delta P_B$ $\%\Delta P_B = \%\Delta Qd_A \div XED$
Price elasticity of supply	$PES = \frac{\%\Delta Qs}{\%\Delta P}$	$\%\Delta Qs = PES \times \%\Delta P$ $\%\Delta P = \%\Delta Qs \div PES$
Consumption externalities	MSB = MPB + MEB	MPB = MSB – MEB MEB = MSB – MPB
Production externalities	MSC = MPC + MEC	MPC = MSC – MEC MEC = MSC – MPC
Profit	Profit = Total Revenue – Total Costs	TR = Profit + Total Costs TC = TR – Profit
Revenue	TR = Price x Quantity	Price = TR / Q Q = TR / P
Profit per unit	Profit per unit = AR – AC	AR = Profit per unit + AC AC = AR – Profit per unit
Average Revenue	AR = TR / Q	TR = AR x Q Q = TR / AR

Name	Main formula	Rearrangements needed
Marginal Revenue	$MR = \Delta TR / \Delta Q$	$\Delta TR = MR \times \Delta Q$ $\Delta Q = \Delta TR / MR$
Total cost	$TC = TVC + TFC$	$TVC = TC - TFC$ $TFC = TC - TVC$
Average total cost	$ATC = TC / Q$	$TC = ATC \times Q$ $Q = TC / ATC$
Average fixed cost	$AFC = TFC / Q$	$TFC = AFC \times Q$ $Q = TFC / AFC$
Average variable cost	$AVC = TVC / Q$	$TVC = AVC \times Q$ $Q = TVC / AVC$
Average product (= output per person, or productivity)	AP = Total Output / No. of workers	Total output = AP x no of workers No of workers = Total output / AP
Marginal cost	$MC = \Delta TC / \Delta Q$	$\Delta TC = MC \times \Delta Q$ $\Delta Q = \Delta TC / MC$

MACROECONOMICS

Name	Main formula	Rearrangements needed
Real GDP	$\text{Real GDP} = \frac{\text{Nominal GDP}}{\text{Inflation Index}} \times 100$	Nominal GDP = Real GDP x Inflation index / 100 Inflation index = Nominal GDP / Real GDP x 100
GDP per capita	GDP per capita = total GDP / population	Total GDP = GDP per capita x population Population = total GDP / GDP per capita
Unemployment rate	Unemployment rate = no. of unemployed / labour force pop'n	No. of unemployed = unemployment rate x labour force pop'n Labour force pop'n = no. of unemployed / unemp rate
Aggregate demand	$AD = C + I + G + (X - M)$	$C = AD - I - G - (X - M)$ $I = AD - C - G - (X - M)$ $G = AD - C - I - (X - M)$ $X = AD - C - I - G + M$ $M = C + I + G + X - AD$

Name	Main formula	Rearrangements needed
Investment	Net investment = Gross investment – depreciation	Gross investment = net investment + depreciation Depreciation = Gross investment – net investment
Multiplier	Multiplier = 1 / (1 – MPC)	MPC = 1 – (1 / multiplier)
Multiplier	Multiplier = 1 / MPW	MPW = 1 / multiplier
National income	Change in NI = multiplier x injection	Injection = change in NI / multiplier Multiplier = change in NI / injection
Terms of trade	ToT = index of X prices / index of M prices x 100	Index of X prices = ToT x index of M prices / 100 Index of M prices = Index of X prices / ToT x 100
Relative unit labour costs	RULC = total labour costs / total output	Total labour costs = RULC x total output Total output = total labour / RULC