



Barick Chung

Employment:

2022-present Associate Professor (Teaching), Economics, CUSZSZ.
2014-2022 Senior Lecturer, School of Management and Economics, CUSZSZ.
2012-2014 Lecturer, School of Economics and Finance, University of Hong Kong.
2006-2012 Instructor, Department of Economics, CUHKHK.

Education:

2003-2007 Ph.D. (Business) Indiana University – Bloomington.
1987-1991 BS.Sc. (Economics) Chinese University of Hong Kong – Hong Kong.

Research paper:

Chung, Barick, "Two Level Price Discrimination and Vertical Relationship" (March 05, 2012). Available at SSRN: <http://ssrn.com/abstract=1997070>.

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ECO 2011 (Sections L07-10) Basic Microeconomics

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An Inquiry into the Nature and Causes of the Wealth of Nations (1776)

Division of labor

Natural law vs. Natural liberty

Order vs. Chaos in society

Market and Self-adjusting mechanism

Wealth creation

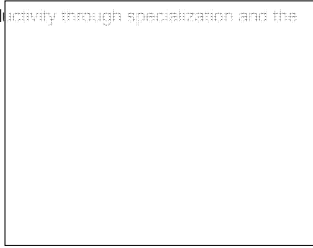
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Cowen, Tyler, and Alex Tabarrok, 2013, *Modern Principles of Economics*, 2nd edition, Worth Publishers, p.13:

(1) Trade makes people better off when preferences differ.



(2) Trade increases productivity through specialization and the division of knowledge.



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Tom's productivity:

2  per hour
Internet photo
 4  per hour

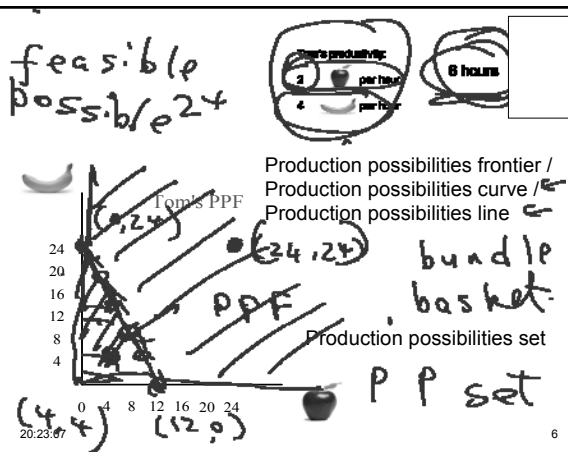
6 hours

Nancy's productivity:

4  per hour
Internet photo
 2  per hour

6 hours

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6

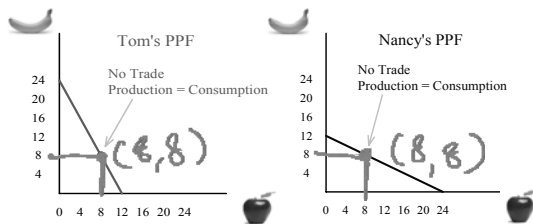
		2 A / h		6	
		4 B / h			
time				output	
A	B	A	B	A	B
6	0	(12	0)		
5	1	(10	4)		
4	2	(8	8)		
3	3	(6	12)		
2	4				

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No trade

Nancy's production = 8 apples + 8 bananas
Tom's production = 8 apples + 8 bananas



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Suppose that now Tom specializes completely by allocating all 6 hours to picking bananas, and Nancy specializes completely by allocating all 6 hours to picking apples.

Nancy's new production: 24 apples + 0 bananas
Tom's new production: 0 apples + 24 bananas

Total new output: 24 apples + 24 bananas

$$24 + 24$$

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Nancy's new production : **24 apples + 0 bananas**
Tom's new production : **0 apples + 24 bananas**

Suppose that Tom trades 12 bananas with Nancy in return for 12 apples.

Nancy' new consumption : **12 apples + 12 bananas**
Tom's new consumption : **12 apples + 12 bananas**

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David Ricardo
(1772 – 1823)

http://en.wikipedia.org/wiki/David_Ricardo
accessed 20110115

"David Ricardo (19 April 1772 – 11 September 1823) was an English political economist, often credited with systematizing economics, and was one of the most influential of the classical economists, along with Thomas Malthus, Adam Smith, and John Stuart Mill. He was also a member of Parliament, businessman, financier and speculator, who amassed a considerable personal fortune. **Perhaps his most important contribution was the law of comparative advantage, a fundamental argument in favor of free trade among countries and of specialization among individuals.** Ricardo argued that there is mutual benefit from trade (or exchange) even if one party (e.g. resource-rich country, highly-skilled artisan) is more productive in every possible area than its trading counterpart (e.g. resource-poor country, unskilled laborer), as long as each concentrates on the activities where it has a relative productivity advantage."

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