

Prologue

About the Author

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- Robert M. Beren Professor of Economics at *Harvard University*
- Studied economics at *Princeton University* & *MIT*
- Works published in the *New York Times* & *The Wall Street Journal*
- Best-selling intermediate-level textbook - *Macroeconomics* (Worth Publishers)
- A member of the ETS test development committee for the *Advanced Placement* exam in economics
- Served as chairman of the President's Council of Economic Advisers from 2003 to 2005

Preface

- "Economics is a study of mankind in the ordinary business of life." (Alfred Marshall)
- Economics is mainly a matter of creating models that draw on a set of basic principles but add some more specific assumptions that allow the modeler to apply those principles to a particular situation. (Paul Krugman)

Reasons to study economics

1. Help you understand the world in which you live
 2. Make you a more astute participant in the economy
- Studying economics will not by itself make you rich, but it will give you some tools that may help in that endeavor.
3. Give you a better understanding of both the potential and the limits of economic policy
- Voting
 - Help choose the policies that guide the allocation of society's resources
 - Being voted
 - Perhaps someday you will end up as one of those policymakers yourself.
 - **Whether the future finds you following the news, running a business, or sitting in the Oval Office, you will be glad that you studied economics.**