

Review Sheet for Exam 1:

The topics below represent an exhaustive list for the exam. The number in () is the number of times that topic appears on the exam.

A question from the syllabus

Trade creates value

Scarcity

Incentives

Opportunity cost (3)

Marginal thinking

Trade-offs

Comparative advantage (2)

Gains from trade

PPF (2)

Positive v. normative

Endogenous v. exogenous

Demand shifts v. slides (3)

Supply shifts v. slides (3)

Demand and supply equations

Complements and substitutes (2)

Income elasticity

Inferior, normal and luxury goods

Price elasticity of demand (3)

Cross-price elasticity (2)

Calculate the price elasticity of demand using the mid-point method

Deadweight loss

Consumer and producer surplus (3)

Incidence

Tax revenues (2)