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Study Guide for use with
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STUDY GUIDE

for use with

McConnell and Brue

MICROECONOMICS

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Seventeenth Edition

WILLIAM B. WALSTAD

PROFESSOR OF ECONOMICS

UNIVERSITY OF NEBRASKA-LINCOLN



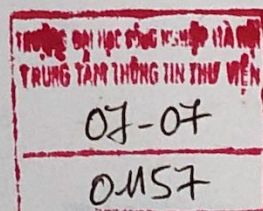
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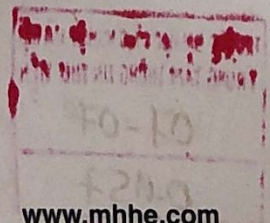
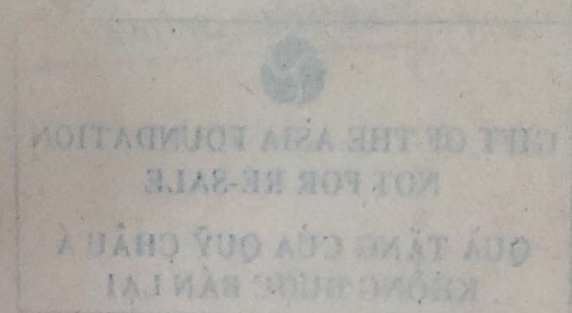
**Study Guide for use with
Microeconomics, Seventeenth Edition
Campbell R. McConnell, Stanley L. Brue, and William B. Walstad**

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To

Tammie, Laura, Kristin, Eileen, Clara, and Martha

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How to Use the Study Guide to Learn Economics

This *Study Guide* should help you read and understand Campbell R. McConnell and Stanley L. Brue's textbook, *Microeconomics*, seventeenth edition. If used properly, a study guide can be a great aid to you for what is probably your first course in economics.

No one pretends that the study of economics is easy, but it can be made easier with this *Study Guide*. Of course, it will not do your work for you, and its use is no substitute for reading the text. You must first be willing to read the text and work at learning if you wish to understand economics.

Many students, however, do read their text and work hard on their economics course and still fail to learn the subject. This problem occurs because economics is a new subject for those students. They want to learn economics but do not know how to do that because they have no previous experience with the subject. Here is where the *Study Guide* can help students. Let's first see what the *Study Guide* contains and then learn how to use it.

■ WHAT THE STUDY GUIDE IS

This *Study Guide* contains 24 chapters to support your learning of each of the 24 textbook chapters in *Microeconomics*. There is also one *Study Guide* chapter that fully supports the **Bonus Web Chapter** for *Microeconomics*. In addition, the *Study Guide* has a **glossary**. This *Study Guide* should give you a complete set of resources to advance your learning of the principles of economics.

Each *Study Guide* chapter has 11 sections to give you complete coverage of the textbook material in each chapter. The first five sections help you **understand** the economics content in each chapter.

1. An **introduction** explains what is in the chapter of the text and how it is related to material in earlier and later chapters. It points out topics to which you should give special attention and reemphasizes difficult or important principles and facts.

2. A **checklist** tells you the things you should be able to do when you have finished the chapter.

3. A **chapter outline** shows how the chapter is organized and summarizes briefly the essential points made in the chapter, including the Last Word.

4. Selected **hints and tips** for each chapter help you identify key points and make connections with any previous discussion of a topic.

5. A list of the **important terms** points out what you must be able to define to understand the material in the chapter. Each term is bolded and italicized in the chapter outline so you can easily find it. Each term is also defined in the glossary at the end of the *Study Guide*.

The next six sections of the *Study Guide* allow you to **self-test** your understanding of the chapter material.

6. **Fill-in questions** (short-answer and list questions) help you learn and remember the important generalizations and facts in the chapter.

7. **True-false questions** test your understanding of the material in the chapter.

8. **Multiple-choice questions** also give you a chance to check your knowledge of the chapter content and prepare for this type of course examination.

9. **Problems** help you learn and understand economic concepts by requiring different skills—drawing a graph, completing a table, or finding relationships—to solve the problems.

10. **Short answer and essay questions** can be used as a self-test, to identify important questions in the chapter, and to prepare for examinations.

11. **Answers** to fill-in questions, true-false questions, multiple-choice questions, and problems are found at the end of each chapter. References to the specific pages in the textbook for each true-false, multiple-choice, and short answer or essay question are also provided.

■ HOW TO STUDY AND LEARN WITH THE HELP OF THE STUDY GUIDE

1. **Read and outline.** For the best results, quickly read the introduction, outline, list of terms, and checklist in the *Study Guide* before you read the chapter in *Microeconomics*. Then read the chapter in the text slowly, keeping one eye on the *Study Guide* outline and the list of terms. Highlight the chapter as you read it by identifying the **major and minor** points and by placing *Study Guide* outline numbers or letters (such as I or A or 1 or a) in the margins. When you have completed the chapter, you will have the chapter highlighted, and the *Study Guide* outline will serve as a handy set of notes on the chapter.

2. **Review and reread.** After you have read the chapter in the text once, return to the introduction, outline, and list of terms in the *Study Guide*. Reread the introduction and outline. Does everything there make sense? If not, go back to the text and reread the topics that you do not remember well or that still confuse you. Look at the outline. Try to recall each of the minor topics that were contained in the text under each of the major points in the outline. When you come to the list of terms, go over them one by one. *Define or explain each to yourself and then look for the definition of the term either in the text chapter or in the glossary.* Compare your own definition or explanation with that in the *text or glossary*. The quick way to find the definition of a term in the text is to look in the text index for the page(s) in which that term or concept is mentioned. Make any necessary correction or change in your own definition or explanation.

3. **Test and check answers.** When you have done the above reading and review, you will have a good idea of what is in the text chapter. Now complete the self-test sections of the *Study Guide* to check your understanding.

In doing the self-test, start with the *fill-in*, *true-false*, *multiple-choice*, and *problems* sections. Tackle each of these four sections one at a time, using the following procedures: (1) Answer as many self-test items as you can without looking in the text or in the answer section of the *Study Guide*; (2) check the text for whatever help you need in answering the items; and (3) consult the answer section of the *Study Guide* for the correct answers and reread any section of the text for which you missed items.

The self-test items in these four sections are not equally difficult. Some will be easy to answer, and others will be harder. Do not expect to get them all correct the first time. Some are designed to pinpoint material of importance that you will probably miss the first time you read the text, and answering them will get you to read the text again with more insight and understanding.

The *short answer and essay questions* cover the major points in the chapter. For some of the easier questions, all you may do is mentally outline your answer. For the more difficult questions, you may want to write out a brief outline of the answer or a full answer. Do not avoid the difficult questions just because they are more work. Answering these questions is often the most valuable work you can do toward acquiring an understanding of economic relationships and principles.

Although no answers are given in the *Study Guide* to the short answer and essay questions, the answer section does list text page references for each question. You are *strongly* encouraged to read those text pages for an explanation of the question or for better insight into the question content.

4. **Double check.** Before you turn to the next chapter in the text and *Study Guide*, return to the checklist. If you cannot honestly check off each item in the list, you have not learned what the authors of the text and of this *Study Guide* hoped you would learn.

■ BONUS WEB CHAPTERS FOR ECONOMICS

The *Study Guide* fully supports this Web-based chapter in *Microeconomics: Natural Resource and Energy Economics* (Chapter 15W). It is available at www.mcconnell17.com.

The *Study Guide* includes full content and self-test materials for this chapter.

■ GLOSSARY

All the important terms and concepts in *Microeconomics* are defined and described in the glossary. It is included in the *Study Guide* for easy reference when you see a term or concept you do not know. It will also aid your work on self-test items in the *Study Guide*.

■ SOME FINAL WORDS

Perhaps the method of using the *Study Guide* outlined above seems like a lot of work. It is! Study and learning require work on your part. This fact is one you must accept if you are to learn economics.

After you have used the *Study Guide* to study one or two chapters, you will find that some sections are more valuable to you than others. Let your own experience determine how you will use the material. But do not discontinue use of the *Study Guide* after one or two chapters merely because you are not sure whether it is helping you. ***Stick with it.***

■ ACKNOWLEDGMENTS

Special thanks are due to Sharon Nemeth for her hard work in preparing the print and electronic versions of this *Study Guide*. I am also indebted to Stan Brue and Campbell McConnell for their ongoing support during the development of this *Study Guide*. While I am most grateful for all these contributions, I alone am responsible for any errors or omissions. You are welcome to send me comments or suggestions.

William B. Walstad