Changes in *Microeconomics in Context* from the Preliminary Edition to the First Edition

After extensive class testing of *Microeconomics in Context, Preliminary Edition*, a number of revisions were made to the text based on users’ comments. This document outlines the major changes between the *Preliminary Edition (PE)* and *First Edition (1E)* that might be of interest to instructors who have used or examined PE.

**Changes in Appearance:**

While PE was black-and-white and included only a Glossary, 1E has full color graphs and photographs and includes both an Index and a Glossary. Both are paperback.

**Changes in the order of presentation of material:**

The most substantial change is in the ordering of topics: instructors using the PE said that supply and demand analysis came too late in the course. The chapters on markets and institutions have therefore been moved up to be Chapters 3-5 in 1E, from Chapters 8-10 in PE.

Instructors also wanted to see the Production Possibilities Frontier introduced earlier. It has been moved into 1E Chapter 1 from PE Chapter 4.

There are now two chapters on market structure, 1E Chapters 11 (Markets without Market Power) and 12 (Markets with Market Power), instead of one (PE Chapter 11). Consumer and producer surplus analysis has been moved into these chapters (from PE Chapter 10).

Discussion of “the three spheres” has been moved into IE Chapter 1, from PE Chapter 2. Discussion of “modes of economic organization” has been moved to IE Chapter 2 from PE Chapter 1.

Some of the material on business, core and public purpose activities have been moved from the early chapters of the book into the specific chapters on these spheres.

Sections 2 (goals of firms) and 3 (big business) in Chapter 16 (business sphere) have been switched in order from the PE.

See “Detailed Changes” below for a list of changes by Chapter and section number.

**Changes in content:**
Instructors wanted more charts and graphs in the Production Costs and Production Decisions chapters, to move students through concepts such as “marginal cost” and the derivation of the supply relationship in more detail. These discussions have been expanded in 1E.

The discussion of “sunk costs” in Production Decisions chapter has been revised.

“Thick” supply and demand curves have been dropped from the Supply and Demand chapter. It is available in the Instructor’s Resource Manual.

The “kinked demand curve” has been dropped from the discussion of oligopoly. The detailed discussion of assets and sources of income in the Distribution chapter has been eliminated.

A new box on AIDS has been added to Chapter 5, and the box on the WTO in Chapter 17 has been updated.

Some instructors felt the textbook was too negative about the basic neoclassical model, leaving students to wonder why they should learn it. While 1E still emphasizes the “in context” approach, some possibly off-putting wording, particularly in Chapters 1 and 2, has been softened in 1E.

Some of the names given to examples of goods have been changed:
“Humor book” (PE) has been changed to “mystery book” (1E)
“Widgets” (PE) has been changed to “hair dryers” (1E)
“Gadgets” in and exercise and appendix have been changed to “stereos” and “razors.”

A new section on globalization (Section 5) has been added to Chapter 16 (business sphere).

**Changes in wording and format that carry throughout the book:**

The “three sectors” or “core sector, business sector, and public purpose sector” (from PE) are now referred to as the three spheres in 1E.

The “simple mechanical model” (PE) is now the “traditional model” or the “basic neoclassical model” (1E).

“20th century economics” (PE) is now “traditional neoclassical economics” (1E)

“Produced capital” (PE) is now “manufactured capital” (1E).

The acronyms PK, NK, HK, SK and FK (PE) are now spelled out, as “manufactured capital,” “natural capital,” etc. (1E).
The “fundamental questions” stated at the beginning of each chapter in PE have been dropped. These have been replaced by an interesting opening fact or anecdote brought in from later in the chapter or newly written for this purpose in 1E.

The keyword lists that appeared in PE were dropped from the end of each chapter. They are still available in the Instructors Resource Manual.

“Commentary:” boxes have been renamed “Economics in the Real World” and, in most cases, discussion questions have been added in italics at the end of the box itself (or moved there from another location in the text, necessitating the writing of new discussion questions elsewhere.) “News Story” boxes have been renamed “News in Context.”

**Detailed changes in the order of presentation of material:**

1E Chapter 1:
- Sections 1, 2, and 3 are from PE Chapter 1, same sections
- Section 4 is from PE Chapter 4, section 2
- Section 5 is from PE Chapter 2, sections 3.1, 3.2, 3.3, 4.4, and 4.5

1E Chapter 2:
- Sections 1 and 2 are from PE Chapter 2, same sections
- Section 3 is from PE Chapter 2 section 1 and PE Chapter 1 section 4
- Section 4 is from PE Chapter 2 section 5
  (Note: details from sections 3.1-3.3 and 4.1-4.3 of PE Chapter 2 have been distributed into 1E Chapters 15-17)

1E Chapter 3 = PE Chapter 8
1E Chapter 4 = PE Chapter 9
1E Chapter 5 = PE Chapter 10 sections 1-5

1E Chapter 6 = PE Chapter 3
1E Chapter 7 = PE Chapter 4 sections 1,3,4 and appendix
1E Chapter 8 = PE Chapter 5
  - section 2.3 is new
  - section 2.4 is PE section 2.3
  - section 3.1 is moved from PE section 2 and section 3.3 (with rewriting)
  - section 3.2 and 3.3 are drawn from PE section 3.2

1E Chapter 9 = PE Chapter 6
  - section 4 combines PE sections 4.3 and 5.
  (PE sections 4.1-4.2 have been dropped)

1E Chapter 10 = PE Chapter 7
1E Chapter 11 = PE Chapter 11 sections 1.1 and 2 and Chapter 10 Sections 6.1-6.5
  (with rewriting)
  - Appendix = PE Chapter 11 section A2
1E Chapter 12 = PE Chapter 11 sections 1.1 and 3-6
   Appendix = PE Chapter 11 section A3 and A4
   (PE section A5 has been dropped)

1E Chapter 13 = PE Chapter 12
1E Chapter 14 = PE Chapter 13
1E Chapter 15 = PE Chapter 14
1E Chapter 16 = PE Chapter 15
   employment data in section 1 is from PE Chapter 2 Section 3.3
   section 1.2 is the Commentary box from PE Chapter 2 Section 3.3
   Section 2 is PE Section 3
   Section 3 is PE Section 2, excluding some introductory material and the
   discussion of multinationals (now in Section 5)
   Section 4 is re-titled and some material from PE Section 4 is now in Section 5
   Section 5 is largely new

1E Chapter 17 = PE Chapter 16
   opening data on employment is from PE Chapter 2 Section 3.2
1E Chapter 18 = PE Chapter 17
1E Chapter 19 = PE Chapter 18