"Nothing is more endangered in the modern world than the powerful combination of hard work toward meaningful goals joined with an exuberant embrace of the present moment."

-- Tom Morris

Exam 1 Microeconomics:

The concepts and detailed notes from the Chapter 1 handout.

Elasticity Handout (See below)

Ch 2 Comparative advantage, Absolute advantage, the PPF (PPC),
Neanderthals, factors of production, opportunity cost

Ch 3 Laws of supply and demand, Markets, Equilibrium, predicting the change in equilibrium based upon a change in: policy, technology, income, complements, substitutes, tastes/preferences, and other determinants of supply and demand

You should be able to predict the effect of a tax on a market. Incidence of taxation. Relate to elasticity.

Ch 5 Price floors and price ceilings, public goods and private goods, school vouchers, externalities,

Elasticity

% Change in Price	% Change in Quantity	Elasticity (numeric)	Elasticity (phrase)	Pricing strategy which will Increase Revenue
Small	Large	< 1	Relatively Elastic	Drop Price
Large	Small	> 1	Relatively Inelastic	Raise Price
1	1	1	Unitary Elastic	None
10%	5%	2	Relatively Inelastic	Drop Price
5%	10%	0.5	Relatively Elastic	Raise Price
25%	0%	none	Perfectly Inelastic	Raise Price
any	100%	0	Perfectly Elastic	P = MC = MR