



Microeconomics, 11th edition

David Colander

Copyright: 2020

9781260507140 / 126050714

Overview

Colanders Microeconomics, eleventh edition, is specifically designed to help today's students succeed in the principles of economics course and grasp economics concepts they can apply in their daily lives.

Colanders trademark colloquial approach focuses on modern economics, institutions, history, and modeling. Colander presents and applies economic models, but also encourages students to think about model nuances, building their critical thinking skills and applying models to the real world.

Content in Colander is organized around learning objectives to make it easier for students to understand the material and for instructors to build assignments within Connect. Through Connect and SmartBook, students will find engaging activities, helpful tutorial videos, and learning resources at that moment of need.

Specific Content Changes to This Edition

Any new edition provides the possibility to update discussions and I have done so throughout the book, both in updating references to events, and in examples. On a mundane level I changed examples and products being discussed. For example, there was an earlier discussion of the supply and demand for CD, which at one point in the past seemed reasonable. CDs have gone the way of buggy whips, and so the discussion was changed to chocolate, which has a longer shelf life—there will always be demand of 80% dark chocolate, at least from me.

I also reviewed all the boxes, eliminating or updating those that were outdated, replacing them with new boxes that capture some of the new ideas being discussed. Because of the changing nature of the macro problem facing the economy, macro examples were updated more frequently than the micro examples.

In-Depth Chapter-by-Chapter Discussion of Changes

Data has been updated throughout. Web Notes callouts have been added back into the text. They appear within the margins next to the content to which they apply. Here is a chapter by chapter discussion of the major changes:

Chapter-by-Chapter Changes

Chapter 1, Economics and Economic Reasoning

I eliminated a few examples within the narrative to sharpen the discussion. Among the normative economics discussion, an introduction to Adam Smith's impartial spectator tool was added, which is also discussed in additional detail among the "Prologue for the Student," just before the start of Chapter 1.

Chapter 2, The Production Possibility Model, Trade, and Globalization

This chapter has remained largely unchanged from the previous edition as refinements were made to simplify the discussion. The presentation includes two simple graphs, each showing the production possibility curve for one country. The discussion allows the identification of a new level of possible consumption for each country separately based on trade.

Chapter 3, Economic Institutions

Among the discussion of the history of socialism, I added in a brief mention of its association with communism.

A new Real-World Application box on polycentric government and the ideas of Elinor Ostrom was added. The Real-World Application box on "Who are the 1%?" was deleted. Data updates were made to a number of figures.

Chapter 4, Supply and Demand

Among the law of demand section, I deleted the example that referenced CDs and replaced it with a Netflix example. Similarly, among the factors that shift demand section, references to CDs and an iPod were removed and replaced with more timeless examples. References to iTunes have been replaced with Amazon Prime. I replaced the example of the effect of Hurricane Katrina with the more recent example of Hurricane Harvey.

Chapter 5, Using Supply and Demand

I changed the scenarios and subsequent analysis given at the start of the chapter from a hurricane to a drought, and from gasoline prices to the expansion of hydraulic fracking. Among the government intervention section, I added reference to the entry of ride sharing companies and their impact on the price of taxi medallions.

Chapter 6, Describing Supply and Demand: Elasticities

The opening vignette example was changed to a similar scenario, but more current example—the price of water during Hurricane Harvey. Among the calculating elasticities section, the first case example was changed to the price of tolls in Orange County, Florida.

Chapter 7, Taxation and Government Intervention

The subsection “Burden Depends on Relative Elasticity,” was rewritten to accommodate the change to Figure 7-3 in which panels b and c were swapped. The Real-World Application box “College Newspaper Editors Should Take More Economics” was replaced with a new box detailing the debate about the corporate income tax. New data on New York’s rent controls was added just before the end of the chapter.

Chapter 8, Market Failure versus Government Failure

The negative externality section was combined with the positive externalities subsection, and now features a discussion and graphical representation of the standard supply and demand analysis with no externalities. A new Real-World Application box on dynamic pricing was added. Among the excludability and the costs of pricing section, more current music sharing service providers were added.

Chapter 8W, Politics and Economics: The Case of Agricultural Markets

Clarification added to the Herbert Hoover example. Updates made to year references.

Chapter 9, Comparative Advantage, Exchange Rates, and Globalization

Data updates were made throughout along with some minor example refinements.

Chapter 10, International Trade Policy President Trump's changing the narrative on trade meant some significant changes were needed to this chapter. I replaced the opening discussion of trade to include Trump's criticism of free trade agreements and updated the discussion of WTO trade negotiations and U.S. trade policy to account for the Trump presidency. Learning Objective 4 was changed.

Chapter 11, Production and Cost Analysis I

This chapter has remained largely unchanged from the previous edition.

Chapter 12, Production and Cost Analysis II

The Real-World Application box on the changing technology of automobile production was replaced with a new box on 3-D printing and economies of scale. Some refinements were made to the box on why textbooks are so long.

Chapter 13, Perfect Competition

The Real-World Application box on the internet and the perfectly competitive model was completely rewritten.

Chapter 14, Monopoly and Monopolistic Competition

The growing importance of platform monopolies and network externalities led to substantial changes in this chapter. The opening vignette features added material on positive network externalities. Government-created monopolies and government policy and monopoly sections were deleted and replaced with a new section on platform monopolies and network externalities. A new Real-World Application box on the dark side of Amazon was added.

Chapter 15, Oligopoly and Antitrust Policy

The subsection on price wars was deleted and replaced with a discussion of platform monopolies and contestable markets. A new Real-World Application box on strategic competition between Uber and Lyft was added, while the box on Walmart was removed. Significant updates were made to the discussion of the role of antitrust in today's economy.

Chapter 16, Real-World Competition and Technology

The Microsoft and Apple example that started the opening vignette was deleted. The chapter now starts with Peter Thiel's, *Zero to One*, bottom line that competition is for losers. The goals of real-world firms and the monitoring problem section was rewritten to combine the short-run versus long-run profit and profit maximization subsections. A discussion of platform monopolies was added just before the regulating natural monopolies section. The technology, efficiency, and market structure section was deleted entirely.

Chapter 17, Work and the Labor Market

Significant modifications were made to this chapter to account for developments in the information revolution. A new Real-World Application box on are humans obsolete and artificial intelligence was added. Another new box was added discussing the pay gap between women and men. The subsection on unions and collective bargaining was deleted entirely.

Chapter 17W, Nonwage and Asset Income: Rents, Profits, and Interest

Small refinements made to the intellectual property discussion. Reference to LeBron James was changed to Steph Curry.

Chapter 18, Who Gets What? The Distribution of Income

Considerable data updates were made throughout. The distributional questions and tensions in society subsection was deleted. A new Added Dimension box on income distribution policy, fairness, and the takeaway principle was added.

Chapter 19, The Logic of Individual Choice: The Foundation of Supply and

Demand This chapter has remained largely unchanged from the previous edition.

Chapter 20, Game Theory, Strategic Decision Making, and Behavioral Economics

Minor refinements have been made to this chapter, but it has remained largely unchanged from the previous edition.

Chapter 21, Thinking Like a Modern Economist

I rewrote the basic building block example for enlightened self-interest. Small refinements were made throughout the chapter to sharpen the discussion, but it has remained largely unchanged from the previous edition.

Chapter 22, Behavioral Economics and Modern Economic Policy

Updates were made to the Real-World Application box on futures to reflect the results of the Presidential election. A new box on the British government's rollout of the nudge unit meant to take advantage of insights from behavioral economics to guide people in making more favorable decisions was added.

Chapter 23, Microeconomic Policy, Economic Reasoning, and Beyond

Minor refinements have been made to this chapter, but it has remained largely unchanged from the previous edition.