THE STRUCTURE OF ECONOMICS

A Matematical Analysis

In this book we explore the insights that elementary mathematics affords the study of positive economics. We do not explore these issues to their fullest generality of mathematical rigor. Although generality and rigor are important economic goods, their production, because of the above-mentioned law of diminishing returns, entails increasing marginal costs. Thus we are usually content with intuitive, heuristic proofs of many mathematical prpositions. We refer students to standard mathematics texts for rigorous discussions of various theorems we use in this book. We aimed for that unobservable margin where for the bulk of our readers, the marginal benefits of greater rigor and generality equal their respective marginal cost. By example after example we hope to convince the reader that these elementary tools yield interesting and sometimes profound insights into modern economics