

MICROECONOMICS

The seventh edition of Microeconomics provides a treatment of microeconomics theory that stresses its relevance and application to both managerial and public policy decision making. This applied emphasis is accomplished by including 118 extended examples that cover such topics as the analysis of demand, cost, and market efficiency; the design of pricing strategies; investment and product decision; and public policy analysis. Because of the importance that we attach to these examples, they are included in the flow of the text.

The coverage in this edition of Microeconomics incorporates the dramatic changes that have occurred in the field in recent years. These has been growing interest in game theory and the strategic interactions of firms (chapter 12 and 13), in the role and implications of uncertainty and asymmetric information (chapter 5 and 17), in the pricing strategies of firms with market power (chapter 10 and 11), and in the design of policies to deal efficiently with externalities such as environmental pollution (chapter 18). These topics, which receive only limited attention in most books, are covered extensively here.

