



個體經濟學

- 教科書: ***Economics: A Contemporary Introduction, 6th Edition*** William A. McEachern

- 全文圖書 (03-571-2349) 楊民全

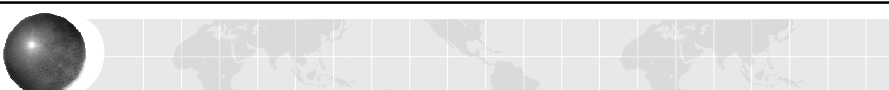
- 授課老師: 戴天時 Email: d88006@csie.ntu.edu.tw

- 評分標準:

- 平時成績: 25%

- 期中考: 35%

- 期末考: 40%



平時成績

- 課堂報告

- 題目: 每一章講完後公佈


- 報告人選: 隨機抽點

- 時間: 2~5分鐘

- 作業

- 課本習題

- 交給助教



課程大綱

- ⊕ Introduction to Economics (3~4 weeks)
- ⊕ Market system (3 weeks)
- ⊕ Market structure
 - ▣ Perfect Competition (1~2 week(s))
- ⊕ 期中考 (1 week)
- ⊕ Market structure (2 weeks)
- ⊕ Resource markets (3~4 weeks)
- ⊕ Market failure & public policy (2~3 weeks)
- ⊕ 期末考(1 week)

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The Art and Science of Economics

The Economic Problem
The Art of Economic Analysis
The Science of Economic Analysis

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The Economic Problem

- ⊕ **Basic economic problem:**
 - Scarce Resources, Unlimited Wants!**
 - ⊗ **Resource are scarce when they are not freely available → when its price exceeds zero**
 - Counter example: Air, sun light.
 - ⊗ **Unlimited wants: (Next slide)**
- ⊕ **Economics examines the issue of how people use their scarce resources in an attempt to satisfy their unlimited wants**

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The Economic Problem

- ⊕ **Unlimited Wants (書劍恩仇錄:玉如意所唱小曲)**

終日奔忙只爲飢	才得有食又寒衣
置下綾羅身上穿	抬頭卻嫌房屋低
蓋了高樓並大廈	床前缺少美貌妻
嬌妻美妾都娶下	忽慮出門沒馬騎
買得高頭金鞍馬	馬前馬後少跟隨
招了家人數十個	有錢沒勢被人欺
機來運轉做知縣	抱怨官少職位卑
做過尙書升閣老	朝思暮想要登基
一朝南面做天子	東征西討打蠻夷
四海萬國都降服	想和神仙下象棋
洞賓陪他把棋下	吩咐快故上天梯
上天梯子未做起	閻王發牌鬼來催
若非此人大限到	升到天上還嫌低
玉皇大帝讓他做	定嫌天宮不華麗

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Resources

- **Inputs, or factors of production, used to produce the goods and services**
- **Thus, *goods and services are scarce because resources are scarce***
- ***Four general categories***
 - **Labor**
 - **Capital**
 - **Land**
 - **Entrepreneurial Ability**

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Labor

- **Broad category of human effort – physical and mental**
- **Comes from a more fundamental resources – time**
- **Labor is scarce because the time that can be allocated to various tasks is scarce or limited**

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Capital

- **Human creations used to produce goods and services**

- ***Physical capital:* factories, machines, tools, buildings, airports, highways and other manufactured items employed to produce goods and services**

- ***Human capital:* consists of the knowledge and skill people acquire to enhance their labor productivity**

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Land & Entrepreneurial Ability

- ***Land***

- **Includes not only land in the conventional sense but also all other natural resources**

- **Gifts of nature including bodies of water, trees, oil reserves, etc.**

- ***Entrepreneurial Ability***

- **Special kind of human skill**

- **Talent required to dream up a new product or find a better way to produce an existing one**

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Payments for Resources

(Earnings based on time)

- ⊕ **Wages** → payment for use of labor
 - Ex: \$10/hour

- ⊕ **Interest** → payment for the use of capital →
Ex: 6%/year

- ⊕ **Rent** → payment for use of land
 - Ex: 6000/month

- ⊕ **Profit** → reward for entrepreneur's reward
 - Revenue from sales minus cost of resources employed (may suffer a loss)
 - Claims what is left over after paying for other resources
 - Ex: 10% /year

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Goods and Services

- ⊕ **Resources can be combined in a variety of ways to produce goods and services**

- ⊕ **Goods**
 - Tangible items (to be easy seen, felt, ...), Ex: 汽車, 房屋

- ⊕ **Services**
 - Intangible items (hard to define or measure) Ex: 法律諮詢服務

- ⊕ **Both of them**
 - Require scarce resources
 - Satisfy human wants

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Scarce Goods and Services

- Scarce Resources → scarce goods and services
- Good or service is scarce if the amount people desire exceeds the amount that is available at a zero price → *we must continually choose among them*
- Choices in a world of scarcity implies we must pass up some goods and services

經濟學可視為教導人作選擇的學問

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Free Goods

- Goods that are available at a zero price
- Even these goods may come with strings attached (i.e. with condition)
- For example, while air and seawater may appear to be free, *clean* air and *clean* seawater have become scarce

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Economic Decision Makers

● Four types of decision-makers in the economy

■ *Households*

- As consumers:
 - demand the goods and services
- As resource owners:
 - supply labor, capital, labor, and entrepreneurial ability

■ *Firms, governments, and the rest of the world*

- Demand the resources from households
- Supply the goods and services to households
- Rest of the world → foreign households, firms and governments

How does this system work?

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Markets

● Buyers and sellers carry out exchanges

- 集合買家賣家
- 提供商品數量,品質,售價等資訊
- 決定成交金額及數量
- Can be physical (shopping mall) or not (ads.)

● *Product markets*

- Markets in which goods and services are bought and sold

● *Resource Markets*

- Markets in which the resources are exchanged
- Labor, or job markets are the most important resource markets

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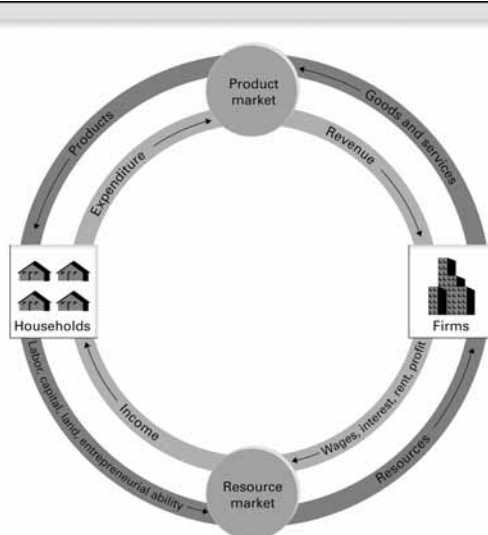
Circular-Flow Model

- The interaction between these four decision makers can be conveyed by the circular flow model
- Describes the flow of resources, products, income, and revenue among decision makers
- See next slide

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Exhibit 1: Circular-Flow Model



Households supply resources in the resource market and demand goods and services in the product market

Firms supply goods and services in product market and demand resources in the resource market

Money flows in resource market determine wages, interest, rents, and profits which flow as income to households

Product markets determine the prices for goods and services which flow as revenue to firms

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Rational Self Interest

- ***Rational*** → people try to make the best choices based on their information
 - ▣ People may not know with certainty which alternative is best
- That is, they rationally select alternatives they perceive to be in their self interest
- ***Individuals try to***
 - ▣ *maximize the expected benefit with a given cost*
 - ▣ *minimize the expected cost of achieving a given benefit*



Rational Self Interest

- Should not be viewed as blind materialism, pure selfishness, or greed
- Includes the welfare of others – family, friends, poor → does not rule out concern for others

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Time and Information

- Rational choice requires both time and information
 - both scarce and valuable
 - information is costly to acquire –
 - we are often willing to pay others to gather and digest it for us
- Rational choice :
 - *decision-makers will continue to acquire information if*
 - *additional benefit expected from that information*
 - *exceeds the additional cost of gathering it*

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Marginal Analysis

- ⊕ Economic choices are based on a comparison of *expected marginal cost* and the *expected marginal benefit* of the action under consideration

- ⊕ Marginal
 - ⊗ Incremental
 - ⊗ Additional
- 假定香腸價值\$5

一口香腸	滿足感
5	20
5	15
5	10
5	5
5	0
5	-5

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Micro and Macro “economics”

- ⊕ *Microeconomics*
 - ⊗ Examines the factors that influence individual economic choices
 - ⊗ Examines how markets coordinate the choices of various decision-makers
 - ⊗ Ex: 電腦降價5% →...
- ⊕ *Macroeconomics*
 - ⊗ Studies the performance of the economy as a whole
 - ⊗ Focuses on the big picture
 - ⊗ Ex: 聯準會調高利率一碼

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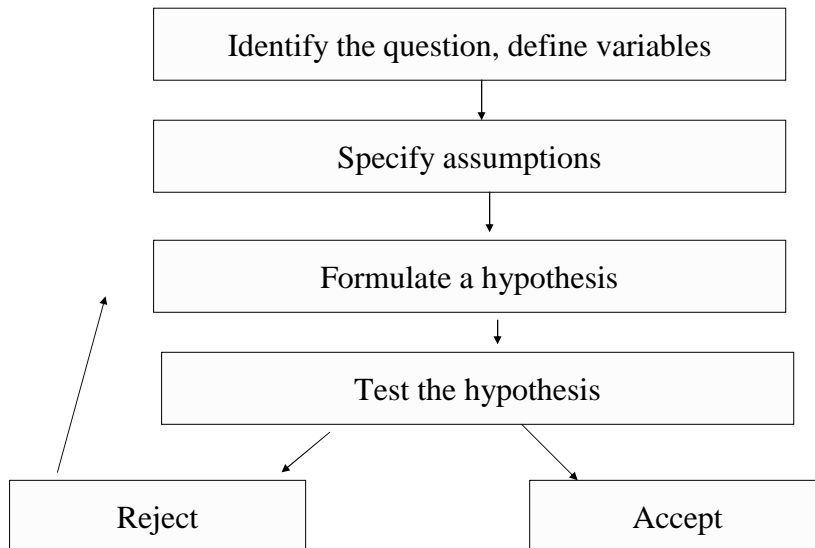


Science

- **Economic theory or model**
 - ❏ **Simplification of economic reality**
 - ❏ **Used to make predictions about the real world**
 - ❏ **Focuses on the important elements of the problem under study**
 - ❏ **More details → more complex**



Science Method



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Scientific Method

- **Identify the Question and Define the relevant variables**
 - ❖ Variable is a measure that can take on different values
 - ❖ Become the elements of the theory
 - ❖ Ex: 油價提高導致物價水準上升
- **Specify Assumptions**
 - ❖ *Other-things-constant assumption* (控制變因)
 - ❖ *Behavioral Assumption* refer to how people behave → rational self-interest → consumers maximize satisfaction and firm maximizes profits

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Formulate and Test Hypothesis

- ⊕ **Statement about how the key variables relate to each other**
- ⊕ **Provides the predictions based on cause and effect relationships**
 - ⊠ 油價上升 $x\%$,物價上升 $f(x)\%$
- ⊕ **Test involves comparing these predictions with real world**
 - ⊠ If we reject the theory if it predicts worse than the best alternative
 - ⊠ Accept → use theory until better one comes along

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Normative versus Positive

- ***Positive economic statement***
 - ⊠ An assertion about economic reality that can be supported or rejected by reference to the facts
 - ⊠ Ex: 台灣失業率 4.5%
- ***Normative economic statement***
 - ⊠ Reflects an opinion
 - ⊠ Ex: 政府應舉債來擴張財政支出,降低失業率
 - ⊠ Cannot be shown to be true or false by reference to the facts
 - ⊠ Most of the disagreements in economics involve normative debates
 - ⊠ 邱吉爾: on the other hand...

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Predicting Average Behavior

- **Task of economic theory is to predict the impact of economic choices and, in turn, the effect of these choices on particular markets or the economy**
- **Because the unpredictable actions of numerous individuals tend to cancel one another out, the *average behavior* of a group of individuals can be predicted more accurately than the actions of any one individual**

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Pitfalls of Economic Analysis

- **Three possible sources of mistakes in reasoning leading to faulty conclusions**
 - ❖ **Fallacy that Association is Causation**
 - ❖ **Fallacy of Composition**
 - ❖ **Mistake of Ignoring Secondary Effects**

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Pitfalls of Economic Analysis

● *Fallacy that Association is Causation*

- ▣ 因果關係及共變關係
- ▣ Occurs when one assumes that event A caused event B simply because the two are associated in time
- ▣ Ex: 經濟衰退 → 轉行賣小吃上升, 進口下降

● *Fallacy of Composition*

- ▣ 以偏概全
- ▣ Erroneous belief that what is true for the individual or the part, is also true for the group, or the whole

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Ignoring Secondary Effects

- Unintended consequences of policies or choices
- *Primary Effects*
 - ▣ Effects that are felt relatively quickly
 - ▣ Easily observed
- *Secondary Effects*
 - ▣ Tend to develop more slowly
 - ▣ Frequently not obvious
- Ex: 政府控制房租 → 新房屋供應量減少, 房東不願維修房屋 → 導致租屋的品質和數量下降

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課堂報告

- 請舉例說明何謂 ***Fallacy that Association is Causation***
- 請舉例說明何謂 ***Fallacy of Composition***
- 請舉例說明何謂 **Ignoring Secondary Effects**
- 請舉例說明何謂 ***Normative economic statement***
- 請舉例說明何謂 **Marginal Analysis**
- 請舉例說明何謂 **Free Goods**

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Homework

- 2 說明下列資源屬於何種種類
Ex: taxicab → Capital
- 15 說明下列陳述犯了何種推論錯誤
Ex: 提高稅 → 增加政府收入 → Ignore Secondary effect
- 16 說明其陳述犯了 ***Fallacy that Association is Causation***

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