

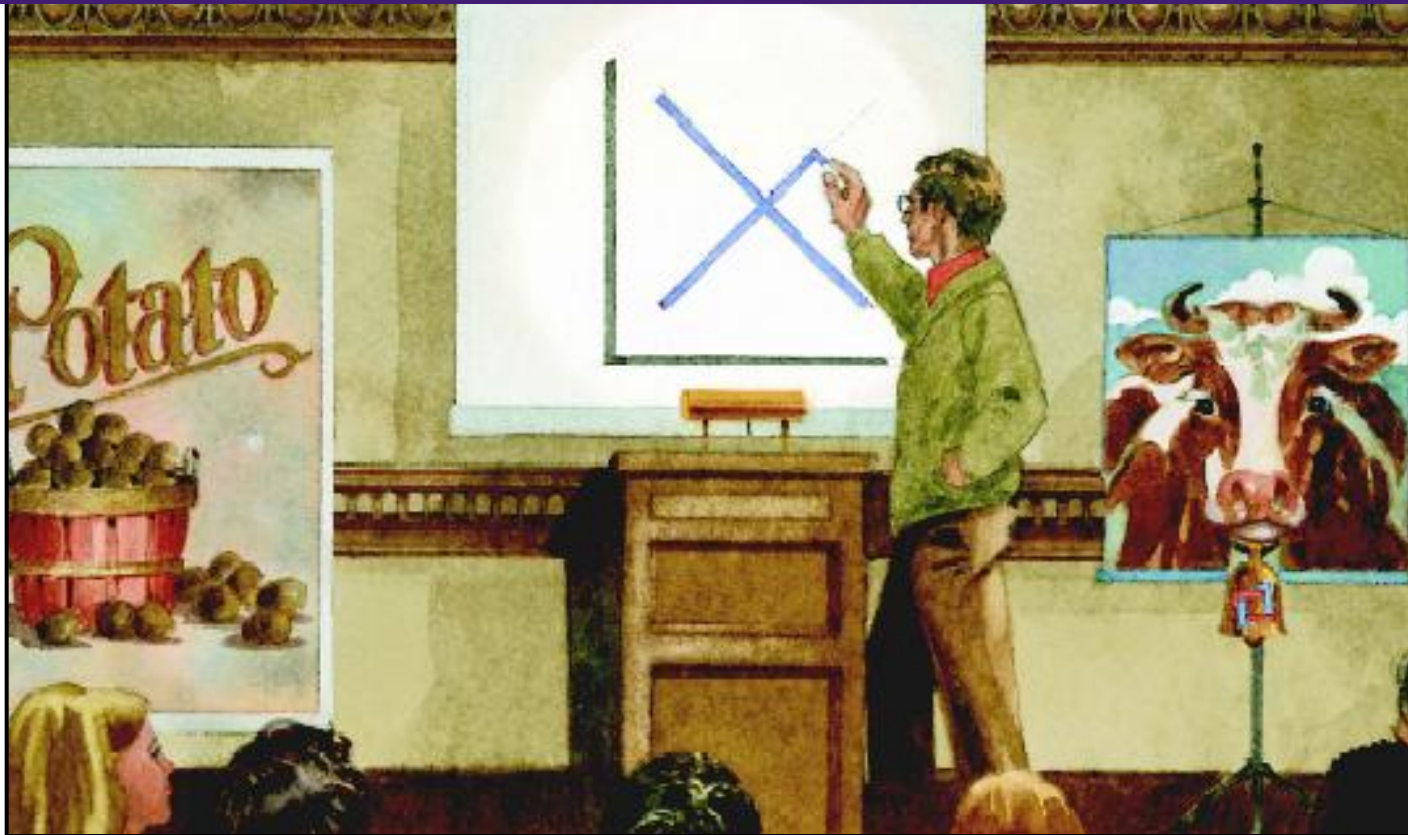


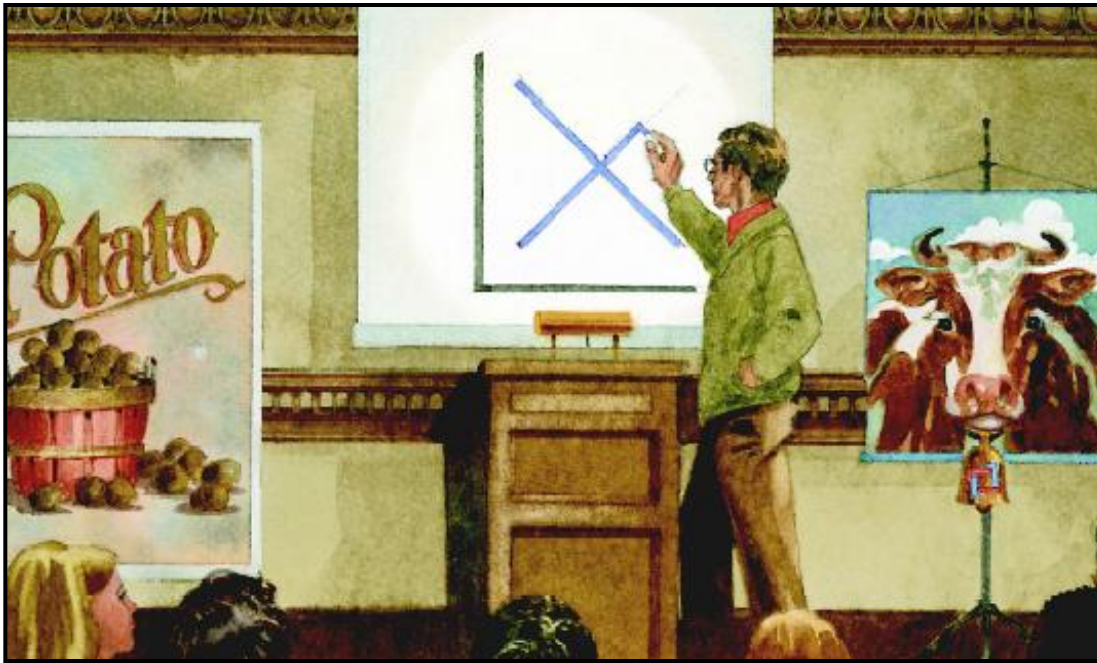
PowerPoint® Exhibit Presentation
to accompany
Principles of Economics, Third Edition
N. Gregory Mankiw

THOMSON
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SOUTH-WESTERN

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INTRODUCTION





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Ten Principles of Economics

Table 1 Ten Principles of Economics

How People Make Decisions

- #1: People Face Tradeoffs
- #2: The Cost of Something Is What You Give Up to Get It
- #3: Rational People Think at the Margin
- #4: People Respond to Incentives

How People Interact

- #5: Trade Can Make Everyone Better Off
- #6: Markets Are Usually a Good Way to Organize Economic Activity
- #7: Governments Can Sometimes Improve Market Outcomes

How the Economy as a Whole Works

- #8: A Country's Standard of Living Depends on Its Ability to Produce Goods and Services
- #9: Prices Rise When the Government Prints Too Much Money
- #10: Society Faces a Short-Run Tradeoff between Inflation and Unemployment