

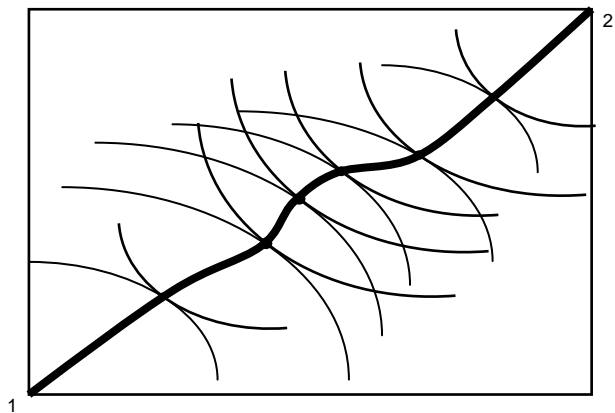
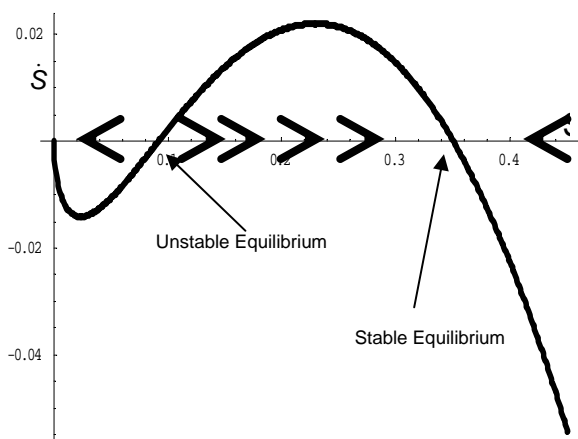
# Introduction to Economic Analysis

by

**R. Preston McAfee**

*J. Stanley Johnson Professor of  
Business, Economics & Management*

**California Institute of Technology**



*Dedication to this edition:*

For Sophie. Perhaps by the time she goes to university, we'll have won the war against the publishers.

*Disclaimer:*

This is the third draft. Please point out typos, errors or poor exposition, preferably by email to [intro@mcafee.cc](mailto:intro@mcafee.cc). Your assistance matters.

In preparing this manuscript, I have received assistance from many people, including Michael Bernstein, Steve Bisset, Grant Chang-Chien, Lauren Feiler, Alex Fogel, Ben Golub, George Hines, Richard Jones, Jorge Martínez, Joshua Moses, Dr. John Ryan, and Wei Eileen Xie. I am especially indebted to Anthony B. Williams for a careful, detailed reading of the manuscript yielding hundreds of improvements.

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# **Introduction to Economic Analysis**

## **Version 2.0**

by

**R. Preston McAfee**

***J. Stanley Johnson Professor of  
Business, Economics & Management***

**California Institute of Technology**

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This book presents introductory economics (“principles”) material using standard mathematical tools, including calculus. It is designed for a relatively sophisticated undergraduate who has not taken a basic university course in economics. It also contains the standard intermediate microeconomics material and some material that ought to be standard but is not. The book can easily serve as an intermediate microeconomics text. The focus of this book is on the conceptual tools and not on fluff. Most microeconomics texts are mostly fluff and the fluff market is exceedingly over-served by \$100+ texts. In contrast, this book reflects the approach actually adopted by the majority of economists for understanding economic activity. There are lots of models and equations and no pictures of economists.

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