

Mastering

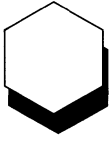
Economics



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Mastering



Economics

Fourth Edition

Jack Harvey

M
MACMILLAN

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Preface to the First Edition

Mastering Economics is written for those who are embarking on a study of economics. While its main aim is to cover basic examinations in schools and colleges, it will also meet the requirements of most professional syllabuses and will provide preliminary reading for university students.

For the general reader seeking guidance in understanding economic problems and policies, the book sets out the essential background and introduces in simple form the techniques used by economists.

Particular attention has been paid to current views regarding the defects of the 'laissez-faire' system in solving the economic problem, the role the government can play in a 'mixed' economy, and the increase in the importance of the public sector over the past thirty-five years – subjects which are inclined to be glossed over in elementary texts.

I would like to thank Andrew Leake, senior economics master at Latymer Upper School, and David Whitehead, lecturer in education at the University of London, who read the original typescript and made many helpful suggestions.



Preface to the Fourth Edition

Tables and facts have been brought up to date and the text has been revised to cover such changes as have taken place in the working of institutions and the evolution of economic policy in recent years.

The opportunity has also been taken to rationalise the role of the government in a market economy, especially as regards improving the allocation of resources and in formulating policy to achieve both full employment and price stability.

A new section on the environment surveys the economic aspects of external costs and benefits, the role of cost-benefit analysis, and suggests economic approaches to the problems of conservation and pollution.

While the analysis of the factors which determine aggregate demand have been retained, the failure of demand management to combat inflation has necessitated a new theoretical approach. Hence a simplified model relates aggregate demand and aggregate supply to explain why prices may continue to rise even though aggregate demand is falling, and introduces the reasoning behind supply-side economics.

The European Community is also discussed in more detail. An additional final chapter surveys briefly the major economic problems facing the UK government today.

JACK HARVEY



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