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Workbook for Principles of Microeconomics

 Springer

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ISSN 2192-4333
Springer Texts in Business and Economics
ISBN 978-3-319-62661-1
<https://doi.org/10.1007/978-3-319-62662-8>

ISSN 2192-4341 (electronic)
ISBN 978-3-319-62662-8 (eBook)

Library of Congress Control Number: 2018930104

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Printed on acid-free paper

This Springer imprint is published by Springer Nature
The registered company is Springer International Publishing AG
The registered company address is: Gewerbestrasse 11, 6330 Cham, Switzerland

Acknowledgements

If you want to learn the piano, you have to sit down and start practicing. This is tedious in the beginning and will not sound particularly pretty but things will improve over time. The same applies to economics (and other scientific theories as well). If you want to use them to better understand and analyze certain aspects of economic and social reality, you have to make them your own, understand their internal “mechanics” and work with them. Reading textbooks or listening to lectures is only a poor substitute. Limiting yourself to it would be like wanting to learn how to play piano by just listening to a piano player and studying piano scores.

This is why we have collected a series of problems and exercises that are intended to help you to adopt step by step the theories introduced and discussed in the textbook “Principles of Microeconomics: An Integrative Approach”. You will find a chapter with different types of problems and sample solutions that corresponds to a chapter in the main book. We distinguish between three different types of exercises that focus on the development of specific and complementary skills and competencies.

The first type is true or false exercises; statements that can either be true or false. At the end of each section you will find the solutions along with short explanations, as well as links to the textbook.

The second type of problems have the character of short case studies or word problems, to answer which you will be required to develop a more complex train of thoughts. Problems like these do not have one and only one correct solution but can usually be approached from different directions. Nevertheless, this book offers you sample solutions at the end of this section that illustrate *one* possible approach. Over the years during which we have developed the problems and used them in class we have also been able to identify typical lines of faulty reasoning. We will look into these and explain how they can be avoided.

Finally, you will find multiple-choice questions to answer in which you will have to identify one correct answer from a choice of given answers. Please note that all references to chapters are to those in the textbook “Principles of Microeconomics: An Integrative Approach” by Martin Kolmar, unless otherwise specified.

The teaching material collected in this book has grown over many years and is a result of efforts of a great many people, first of all the students who worked with them. We are most thankful for their innumerable suggestions that helped us improving the set of problems. Further, we thank Dario Fauceglia, Jürg Furrer, Carolin Güssow, Katharina Hofer, Alfonso Sousa-Poza, and Fred Henneberger for pointing out many errors, inconsistencies, and ways to improve the problems included in this book. Last but not least we thank our student assistants Corinne Knöpfel, Jan Riss, and Jan Serwart without whom the book would not be as it is.

Science that aims at both better understanding the reality and practical application of theory is similar to jazz. A good economist is like a good pianist: both have to master their instruments to be able to improvise. You know you're there when it starts to swing. We hope that this book will help you on your way to reaching this goal.

St. Gallen, in July 2017

Martin Kolmar and Magnus Hoffmann

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