

CONTENTS

THE NAMES

V. V. Novozhilov (in honour of his 100th birthday)

THICK NOTEBOOK

Introduction. «*Ekonomiks*» means the science of economics

Lecture 11. *Consumer sovereignty and rationality of consumer*

Do consumers wish good for themselves?

The problem of choice and consumer sovereignty

Rationality of consumer

Lecture 12. *The cardinalist approach to utility*

What is preferable, a diamond or water?

The total utility and the marginal utility

The demand curve

The Gossen laws

Lecture 13. *The ordinalist approach to utility*

Can we avoid the mystical marginal utility?

The consumer's choice problem

Utility and preferences. The cardinal and ordinal utilities theories

The basic assumptions of the ordinal utility theory

Indifference curves

Lecture 14. *Optimization of consumer*

Which is the best way of spending money?

The feasible set of consumer

Optimization of consumer

From ordinal utility to cardinal utility

The way the Soviet people spent their money

Lecture 15. *Changes in prices and income*

What is consumer behaviour under the changes in prices and income?

Effect from the change in income

Effect from the change in prices

Engel curves

Lecture 16. *Income and substitution effects*

Looking sharply at demand curve

Income and substitution effects

The case of the opposite influence of income and substitution effects

Inviting to historical search

Lecture 17. *Consumer surplus*

Does consumer gain any profit?

Consumer surplus

What is the sum of consumers' surpluses for?

J. Dupuit is the consumer surplus' discoverer

Taxes, subsidies, and surpluses

CONTENTS

Lecture 18. *Intertemporal preferences for consumption*

- What is better, now or then?
- Intertemporal consumer choice
- Understanding the compound interest rate
- The human capital theory
- From the history of usury
- Consumer credit in the USA

Lecture 19. *The standard of living and its measurement*

- Assessing changes in standard of living
- The real income index
- From Irving Fisher to Alexander Konyus
- Evaluating the consumer price index

Lecture 20. *Income differentials*

- Are all of the people in the society the same?
- Income differentials – whether it is good or not
- Assessing income differentials. The Lorenz curves
- Uncertainty of equilibrium
- Decoded statistics
- Trends in changing of income differentials

Mathematical Appendix

- The space of goods
- The Lagrange problem
- Additive functions

Questions and exercises

Answers to the questions and exercises from the 1st issue

Reference section

- Glossary
- Biographical notes

WINDOW ON EUROPE

Economics as it is

Appendix 1. *Some essay questions*

Appendix 2. *An examination test in microeconomics*

OLYMPUS

Nobel prize winners in economics (1978–1991)

ANTON AND IGOR' PRESENT

Higher economics schools' ratings

St.-Petersburg State Academy of Engineering Economy