Description of the Book

From Publishers Weekly
Friedman puts the passion back into economics with this unconventional, demanding primer. A professor at Santa Clara University (and son of Nobel laureate economist Milton Friedman), he insists that economics is not primarily about money, but rather about needs, wants, choices, values—an imperfect science predicated on the assumption that people tend to rationally choose the best way to achieve their objectives. Using scores of everyday examples to steer the reader through complex concepts, he discusses consumer preferences, street crime, lotteries, plea bargains in trials, sharecropping, financial speculation, political campaign spending and much else. He demystifies international trade (e.g., there's nothing inherently bad about a trade deficit) and deconstructs the economy as an interacting system all of whose elements are interdependent. A rewarding text for serious readers.

Questions To Answer

Written answers to these questions will be due the first day of class.

1. Early in the book, Friedman says the following:

   Economics is based on the assumptions that people have reasonably simple objectives and choose the correct means to achieve them. Both assumptions are false—but useful.

   Explain what he means by the above statement. How is it possible for both assumptions to be false and yet useful—indeed the basis of economic theory?

2. Choose a topic (theme) from this book with which you agree. Explain why you think the theme is valid.

3. Choose a topic (theme) from this book with which you disagree. Explain why you disagree with the author’s position.

4. Provide five examples of types of human behavior that can be explained by economic analysis.

5. Did reading this book change the way you perceive the world around you? Explain your answer.