

A microeconomics FRQ point is almost always a definition plus a direction: name the concept, then say which way the curve, price or quantity moves and why. Write the definitions below in one sentence each, and always finish with “therefore ...”. 微观题的得分点通常是 “定义 + 变动方向”, 答完定义要接着写出结果。

Basic concepts

Scarcity 稀缺 — the condition that wants are unlimited while the resources to satisfy them are limited, which forces choice

Opportunity cost 机会成本 — the value of the next-best alternative given up when a choice is made

Marginal analysis 边际分析 — comparing the additional benefit of one more unit with its additional cost, and acting while the benefit is the greater

Comparative advantage 比较优势 — the ability to produce a good at a lower opportunity cost than another producer

Absolute advantage 绝对优势 — the ability to produce more of a good than another producer from the same resources

Production possibilities curve 生产可能性曲线 — a curve showing the maximum combinations of two goods an economy can produce when all resources are used efficiently

Supply, demand and welfare

Demand 需求 — the quantities of a good buyers are willing and able to buy at each price, other things equal

Supply 供给 — the quantities of a good sellers are willing and able to sell at each price, other things equal

Price elasticity of demand 需求价格弹性 — the percentage change in quantity demanded divided by the percentage change in price

Consumer surplus 消费者剩余 — the difference between what buyers are willing to pay and what they actually pay

Producer surplus 生产者剩余 — the difference between the price sellers receive and the lowest price they would accept

Deadweight loss 无谓损失 — the loss of total surplus caused when output moves away from the allocatively efficient quantity

Price ceiling 价格上限 — a legal maximum price; it causes a shortage when set below equilibrium

Price floor 价格下限 — a legal minimum price; it causes a surplus when set above equilibrium

Market failure

Market failure 市场失灵 — a situation in which a free market allocates resources inefficiently, so total surplus is not maximised

Externality 外部性 — a cost or benefit falling on a third party who is not part of the transaction

Public good 公共物品 — a good that is non-rival and non-excludable, so the market under-provides it

Free-rider problem 搭便车问题 — people consuming a non-excludable good without paying, which leaves it under-provided

Production and cost

Marginal product 边际产量 — the extra output produced by adding one more unit of a variable input

Law of diminishing marginal returns 边际报酬递减规律 — beyond some point, adding more of a variable input to a fixed input raises output by less each time

Marginal cost 边际成本 — the addition to total cost from producing one more unit

Economies of scale 规模经济 — falling long-run average total cost as the scale of output increases

Marginal revenue 边际收入 — the addition to total revenue from selling one more unit

Market structures

Perfect competition 完全竞争 — many small firms selling an identical product with free entry and exit, so each is a price taker

Monopoly 垄断 — a single seller of a product with no close substitutes, protected by barriers to entry

Monopolistic competition 垄断竞争 — many firms selling differentiated products with free entry, so each faces a downward-sloping demand curve but earns zero long-run profit

Oligopoly 寡头垄断 — a few large firms whose decisions are interdependent, so each must consider the others’ reactions

Profit maximisation rule 利润最大化法则 — a firm produces the quantity at which marginal revenue equals marginal cost

Price discrimination 价格歧视 — charging different buyers different prices for the same good for reasons unrelated to cost

Allocative efficiency 配置效率 — producing the quantity at which price equals marginal cost, so total surplus is maximised

Productive efficiency 生产效率 — producing at the minimum of average total cost