

The relationship between harry potter and the sorcerer's stone and economics



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J. K. Rowling created stories and worlds that are very beloved in the world. Most children know the Harry Potter stories, however what they may not realize is that they are learning about economics through these stories. Harry Potter and the Sorcerer's Stone has some intriguing lessons when it comes to economics that J. K. Rowling may not have even intended to include. In case anyone needs a refresher on the first book in the series, it is about a boy who as a baby defeated the most powerful and feared wizard in the world after that wizard killed his parents. No one knows how Harry Potter defeated Voldemort, they just know he did. Some wizards who were close to the Potters gave Harry to his muggle (Aka. non-magical humans) aunt and uncle who only like ordinary things and hated the Potters for being odd and different. Once Harry gets older he is accepted into Hogwarts school of magic and finds out he's a wizard. He also learns that his parents left him money and that he will get to live at school. His muggle family has been horrible to him. At school he learns about monsters, witches, spells and potions, encounters Voldemort and learns that Professor Quirrell is working for him and fights that professor in order to save Hogwarts (Rowling).

So, how does Harry Potter relate to economics? It actually relates deeply to the concepts discussed in chapter 3 of *The Macro Economy of Today*, on Supply and Demand and the weight a demand has and the different types of markets (Schiller). Harry Potter demonstrates factor markets, that deal with factors of production, product markets: where items are sold, opportunity costs: how when one item is bought another item cannot be, supply: the ability and willingness to produce an item, demand: the willingness and ability to get an item, and the determinants of demand.

First, there is the example of opportunity cost. Schiller defines opportunity cost as, “ the most desired goods or services that are forgone in order to obtain something else (48).” In *The Sorcerer’s Stone*, there are two comparative examples of opportunity cost in the story. Harry Potter lives with his aunt and uncle Dursley and their son Dudley. In their home Dudley is favored highly over Harry. Harry sleeps in a cupboard under the stairs while Dudley has two bedrooms, one for his toys and one for where he sleeps. The Dursley’s buy Dudley whatever he wants. For Dudley’s Birthday they go out and buy him more presents because Dudley is upset the number of his presents are fewer than last year. Dudley does not understand opportunity cost, because his parents buy him whatever he wants. Because of this he places little value on the items he receives. Harry Potter observes Dudley’s toy room,

Nearly everything in here was broken. The month-old video camera was lying on top of a small, working tank Dudley had once driven over the next door neighbor’s dog; in the corner was Dudley’s first ever television set, which he’d put his foot through when his favorite program had been cancelled (Rowling 37).

Dudley’s lack of understanding that there is an opportunity cost to his toys will eventually harm him. He does not understand that his parents resources are limited, and soon he will only have broken toys to play with. Harry Potter however understands opportunity costs. He knows that if he does not behave how the Dursley’s would like, he will be punished and will lose the few privileges he has. When Dudley has his birthday, Harry is supposed to go stay with a babysitter. The babysitter cannot take Harry that day and the <https://assignbuster.com/the-relationship-between-harry-potter-and-the-sorcerers-stone-and-economics/>

Dursley's are forced to take Harry with them to the zoo. Before leaving, his aunt and uncle threaten him, that if anything goes wrong at the zoo Harry will not be allowed to leave his cupboard. Harry, of course, accidentally makes the glass on an exhibit disappear and the Dursley's lock him in his cupboard for weeks. Harry understands that if he does something bad, on purpose or not, that he loses the few privileges he has.

Harry Potter all the determinants for demand after receiving his inheritance. Once he has wizard money to use he fulfills the requirements. Whereas until this point Harry did not have that ability. Harry is shown to have the determinant of taste when he wishes to buy a gold cauldron. He is prevented from buying that item and instead gets a pewter one, but he also displays taste in buying a nicer set of scales and a nicer telescope. Implying he chose those items over another. Once Harry receives his inheritance, he fulfills the determinant of income with his gold coins. He shows through his desire for a gold cauldron and his choice in buying pewter that the determinant of other goods is fulfilled. The determinant of expectations is fulfilled. Harry believes, he will have very little and will only be able to buy the necessities. Harry's expectations change once he realizes he has a great amount of money. He expects to be able to buy nicer versions of items on his supply list. His expectations are disappointed by his caretaker with certain items, but with others his expectations are fulfilled. There are also a number of buyers that exist. We see Harry interact with another wizard boy in a shop who is also making a purchase. Harry also observes that the stores are very busy, proving that Harry is not the only person with demand and will have

some options unavailable because items have already purchased (Schiller 51).

Eventually Harry Potter gets a letter accepting him into Hogwarts and he gets to utilize demand, and locate a market. Schiller says, “ a market exists wherever and whenever an exchange takes place (48).” He also defines demand as, “ the ability and willingness to buy specific quantities of a good at alternative prices in a given time period, ceteris paribus (Schiller 48).” This market for him exists in the wizard world where his parents left him a large inheritance. This gives Harry demand in the wizard market. Especially in Diagon Alley where Hogwarts students go to buy their school supplies. Harry now has the ability to make more purchasing decisions, than he was ever allowed before. In the story there is a point at which Harry has the ability to buy a gold cauldron his caretaker keeps him from buying it because it is not the cauldron listed on the supply list. Harry does, however, get a nicer set of scales and telescope since he could not buy the cauldron he wanted (Rowling 80). Because of the market Harry was able to make exchanges from, and the fact that he had demand, it shows supply is there as well. Harry only encounters a product market. Schiller defines product market as, “ any place where finished goods and services (products) are bought and sold (47).” Harry enters a clothing store, an apothecary shop, a pet shop, and a wand shop. All these places implies supply and demand for wizards who are willing and able to make purchases.

The story also talks about complementary goods and substitute goods, some are purchased within the same shop. Schiller defines both terms, “ substitute good: goods that substitute for each other; when the price of good x rises, <https://assignbuster.com/the-relationship-between-harry-potter-and-the-sorcerers-stone-and-economics/>

the demand good y rises, ceteris paribus (51).” and “ complementary goods: goods frequently consumed in combination; when the price of good x rises, the demand for good y falls, ceteris paribus (51).” If the price of the pewter cauldron were to rise, the demand for the gold cauldron would rise because. Since both items are cauldrons and fulfill the same purpose, they are substitutes for each other. However, at the apothecary, shop Harry buys potion ingredients and scales. These are complementary goods. You have little use for them without a cauldron to use them. So if the price of the cauldron rises, demand for the other items will fall because they are not as essential (Rowling 80-81).

So now it is easy to see that Harry Potter shows the elements of the economy in Supply and demand. He starts off with little demand and everything is high in opportunity cost, he ends with higher demand and much lower opportunity cost. It fulfills the determinants of demand and proves there is supply for the items Harry desires. Harry Potter shows a well developed economy. If only its readers knew.