

Introduction to Economics I

Lecture 1 & 2

Lecture 1

Economics

Economics is the study of how people allocate scarce (limited) resources for their unlimited wants.

Lecture 1

There are two major types of economics:

Microeconomics and Macroeconomics

Lecture 1

Microeconomics

The branch of economics that examines the behavior of individual consumers and producers.

Lecture 1

Macroeconomics

The branch of economics which examine overall economies on a regional, national, or international scale.

Lecture 2

Opportunity Cost

The loss of the best alternative when one alternative is chosen.

Lecture 2

An Example for Opportunity Cost

If you spend time and money going to a football game (BJK vs. GS), you cannot spend that time at home watching a movie, and you cannot spend the money (for the ticket) on something else.

Lecture 2

An Example for Opportunity Cost

If your next-best alternative for going to a football game is watching the movie, then the opportunity cost of going to a football game is the money spent plus the pleasure you forgo by not watching the movie.

Lecture 2

The production possibility frontier (PPF)

The production possibility frontier (PPF) is a curve illustrating the different possible amounts that two separate goods may be produced when there is a fixed availability of a certain resource.