

EC 131 - Lecture 1

Boston College
Department of Economics

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Textbook readings: Chapter 1 (Pg 3–9), Chapter 2 (Pg 21–37) and Chapter 2 Appendix (Pg 40–48).

1 Introduction

- Economics (Positive, Normative)
 - Economic History
 - Econometrics
 - Economic Theory
 - * Microeconomics
 - * Macroeconomics

2 Thinking like an economist

- Trade-offs
- Opportunity costs
- Rational people
- Marginal cost
- Marginal benefit
- Incentives

3 Economic models and the Production Possibilities Frontier

- Economic models
- Assumptions
- Production Possibilities Frontier (PPF)
 - Inputs
 - Technology
 - Feasible and Not Feasible points
 - Efficiency
 - Trade-offs
 - Opportunity costs
 - Linear/Bowed out PPF