

Introduction

Economics at a Glance

An Overview

1. What *is* Economics?
2. Incentives
3. Laws and Fallacies
4. Synthesize


Incentives

Problem

What can we say about our understanding of human motivation?

How do we make choices?

Illustration: working on commission



Real Life Relevance

Incentives: Fallacies in Economic Thinking




Initial Attempt

Possible Solution **Three Fallacies**

3 fallacies

Economic Laws



Problem

Does a nation's wealth, have anything to do with the health of its people?

Does health improve with wealth at a constant and proportional rate?

Is it equally as economical and cost effective in all countries and at all levels of spending?

Real Life Relevance

Why might this be important to know and understand?
What other fields could the knowledge be used in?

Economic Laws

delicious

REMINDE

The diagram shows a cycle of five blue boxes: Problem, Initial Attempt, Possible Solution, Basic Practice, and Authentic Application, connected by arrows in a clockwise direction. A sixth box, Real Life Relevance, is positioned between Problem and Initial Attempt, and between Authentic Application and Possible Solution, indicating its role in connecting the theoretical process to real-world application.

Economic Laws

delicious

Problem

Law of increasing relative opportunity cost

What is it? What does it mean?

Can you find proof of it in real life?

Problem

Why does the **cost per unit** fall when suppliers produce more of something?

Can you find proof of this in real life? What is this law called?

What implication does this have for every aspect of economics and business and life?

A vertical stack of three blue boxes: Real Life Relevance, Initial Attempt, and Possible Solution, indicating the progression from real-world relevance to a possible solution.

What is Economics?

It's the (scientific) **study** of the way society chooses to **use/allocate** its scarce **resources**.

Problem But: what **SPECIFIC** questions does it try to answer? **Initial Attempt**

Productive Resources **Real Life Relevance**

Google Docs

Tangible Resources		
Land	Labour	Capital
Natural resources	Skilled workforce	Facilities
Raw materials		Machinery
Water		Equipment
Fertile soils		Money Capital

Intangible Resources		
Knowledge	Entrepreneurship	Business Environment
Science	Organization	Political stability
Technology	Management	Economic stability
Experience	Direction	Social values supporting business
Education & Training	Risk taking	Work ethic
	Innovation	

The three fundamental questions:

Our learning process

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What to produce?
What's worth producing?
In what quantities?

How to produce?
By whom, with what resources?
How much labour, how much capital, by small or large facilities

For whom?
How will output be shared?
How will decisions about distribution be made?

Why is this important?