

# 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