"a regression something thing"

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ECON 2316
Lecture 1

Office Hours

↳ Prof. Reimers — M 8:30 - 10AM (online)
R 10AM - 12 PM (304 Lake)

↳ David Hummel - W 1:30 - 3PM (302 Holmes)
R 3 - 4:30 (302 Holmes)

Microeconomics — individual economic units
Macroeconomics — aggregate economic variables

Constraints & Trade - off
- Consumers have budget constraints
- Workers must decide whether + when to enter the workforce
- Firms must weigh costs and demand

Explanation + prediction are based on theories
- Econ. theory explain observed phenomena in terms of basic rules + assumptions
- Model - mathematical representation of a firm, market or other entity

Positive analysis - cause + effect
Normative analysis - Questions of what ought to be
- value judgement

What is a market
 - collection of buyers + sellers who come together to exchange goods or services
 - Different types of markets
   - perfect competition, monopoly, oligopoly, monopolistic competition
 - Perfectly competitive markets
   - Low barriers to entry
   - Similar/identical products
   - Many buyers + sellers
   - Price takers
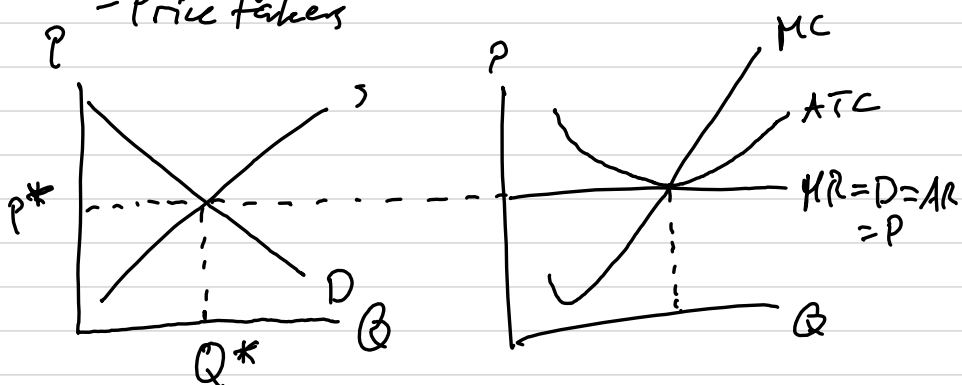
 - Many markets can be treated as competitive
   - at least for purpose of analysis
 - Not all markets are competitive
   - Many producers but still competitive
   - Few producers or consumers
   - Cartels + collusion

Are smartphones competitive?
 - tons of sellers, but few firms DOMINATE

Extent of a market
- Boundaries of a market
  - geographical + range of products sold

Market price ~ price prevailing in a competitive market
- different firms might charge different prices
  - predatory pricing
  - different cost structures
  - Brand loyalty (imperfect competition)