



Part I Introduction

1. Ten Principles of Economics

经济学十大原理

本PPT内容编制依据曼昆著“经济学原理”（第七版），并有部分图表资料来源于Cengage Learning提供的教辅材料。



1. People face tradeoffs.

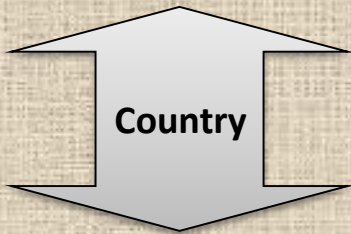
人们面临权衡取舍

鱼与熊掌不可兼得

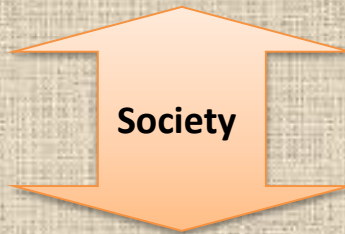


People face tradeoffs.

Guns



GDP



Work



Butter

Environment

Leisure time



People face tradeoffs.

Efficiency v. Equity

- **Efficiency** means society gets **the most** that it can from its scarce resources.
- **Equity** means the benefits of those resources are distributed **fairly** among the members of society.



2. The cost of something is what you give up to get it.

某东西的成本就是为得到它所放弃的东西

Tuition /Books /Rooms / board

What is the cost of going to the college?

No time to make money!

No time to act in a movie

No time to take a advertisement

No time to take a vocal concert



opportunity cost

- The **opportunity cost** of an item is what you give up to obtain that item.

opportunity cost?

➤ What's your opportunity cost of sitting here now?

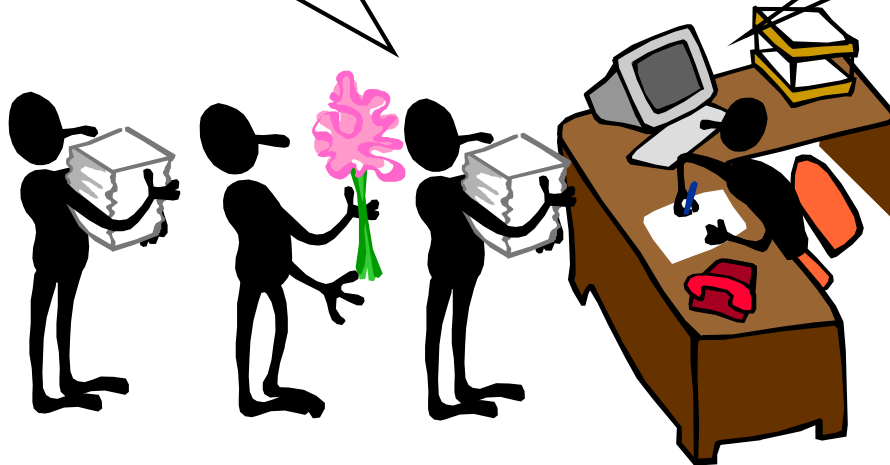
Should the airline sell the ticket?



- London—New York **10** vacancies
- Airline: Air fare = **\$ 800** , Average cost = **\$ 500**

*I will pay **\$300** for
this trip*

Of Course





3. Rational people think at the margin

理性人考虑边际量

- **Rational People:** People who systematically and purposefully do the best they can to achieve their objectives.
- **Marginal changes** are small, incremental adjustments to an existing plan of action.

People make decisions by comparing costs and benefits at the margin.



4. People respond to incentives.

人们会对激励作出反应

➤ **When the price of pork rises.....**

➤ **In the 1960s, Ralph Nader's book Unsafe at Any Speed generated much public concern over auto safety. Congress responded with laws requiring seat belts as standard equipment on new cars.**

How does a seat belt law affect auto safety?



Ten Principles of Economics

How People Make Decisions

1. People face tradeoffs.
2. The cost of something is what you give up to get it.
3. Rational people think at the margin.
4. People respond to incentives.

Thank You !