

The Foundations of Economics

Fundamental Vocabulary and Concepts

Economics

Goods

Services

Needs

Wants

Scarcity

Choice

Opportunity Cost

Economic Good

Free Good

Basic Economic Problem

- What to produce?
- How to produce it?
- For whom to produce?

Factors of Production

- Land
- Labor
- Capital
- Management
(Entrepreneurship)

Production Possibilities Curve

Utility

- Total Utility
- Marginal Utility

Microeconomics

Macroeconomics

Positive Economics (Statement)

Normative Economics
(Statement)

Ceteris Paribus

Circular Flow Model

Rationing Systems

- Free Market Economy
- Planned Economy

Rational Economic Thinking

Economic Growth

- Households
- Firms
- Real National Income
- Gross Domestic Product (GDP)
- Gross National Income (GNI)

Economic Development

- Human Development Index (HDI)

Sustainable Development
