Look at page 122 in the workbook

Income effect – Leisure is a normal good

Substitution effect - As your wage rate goes up, the opportunity cost of not working goes up. People respond by working more

Rule of 72 – Take interest rate and divide by the interest rate. If you for example had an interest rate of 9% it would double in 8 years. If only 4% it would double in 16 years

Pi and the firm – Maximizing profit

Economic Pi(Profit) v. Accounting Pi(Profit)

Economic Profit - Tr – Explicit & Implicit Cost(Opportunity cost)

Accounting Profit – Tr – Explicit Cost(Utilities, raw materials, etc)

Pi(Profit)=Tr-Tc (Total Revenue – Total cost)

Perfect Competition -

Monopolistic Competition –

Oligopoly -

Pure Monopoly