Rational choice: choice that makes you the greatest benefit

Microeconomic: one entity at a time/ individual level analysis

Different: macroeconomic is at a more global scale

Normative (should be)/Positive (is)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Guns | 0 | 1 | 2 | 3 | 4 | 5 |
| Butter | 25 | 24 | 22 | 18 | 12 | 0 |

Slope: 1.negative 2.steeper

EXAM: draw the curve of the production, find out the tan(x)

Slope = (y2-y1)/(x2-x1)