• Scarcity → is the Fundamental economic problem. Our seemingly unlimited wants exceed our limited resources to satisfy them.
• Economics is defined as the study of how people make choices to use scarce resources to satisfy their unlimited wants.

• Opportunity Cost is a Core Concept stemming from Scarcity. It's the value of the next best alternative that must be sacrificed when making a choice. It's a measure of the real cost of any decision.
→ Three Basic Economic Decisions:
1. what will be produced?
- Decisions must be made about which goods and services to create and in what quantities with the limited resources available.
2. How will goods and services be produced?
- choices must be made about the methods of production, including the mix of resources and the types of organizations that will produce them
3 To whom will good and services be distributed?
- A Society must decide on the rules for distributing output among its people.
→ Economic analysis is split into two main branches:
- microeconomics: Looks at the economy as a whole. It studies broad aggregates like total national production, unemployment, and inflation. It's main goals are to undemployment and inflation to suggest stabilizing policies.

macroeconomics, detailing the problems of inflation (a general increase in prices that erodes purchasing power) and the importance of economic growth.

→ it introduces the distinction between two types of economic analysis: positive and normative.

• Positive Analysis → is objective and fact-based.
it uses "if... then" statements to predict the consequences of policies or events. it can be tasted and proven true or False with evidence.

• Normative Analysis → is subjective and value-based.
it involves prescriptions and judgments about what should be or what ought to be done.
it's based on underlying value judgments and can't be empirically tasted.