Economics : What it's all about

- Rational behaviour - Way of acting that seeks to gain by choosing actions for which the benefit exceeds the cost

- Marginal benefit - The additional values obtained when one extra unit of an item is obtained.

- economics - Establishes people's motivation for the purpose of understanding cause-and-effect relationships among economic variables

- ceteris paribus - "other things being equal" - used to acknowledge that influences other than the one whose effect is being analyzed must be held constant or controlled in testing

- normative analysis - Evaluates the desirability of alternative outcomes according to underlying value judgements.

- Positive analysis - Analysis of the effects of changes in conditions or policies on observable economic variables.

- Scarcity - The imbalance between the desires of people in a Society and the means of satisfying those desires.

- Economic model :- A simplified way of expressing economic behaviour or how some sector of the economy functions.

- Variable - A quantity or dollar amount that can have more than one value.

- marginal analysis - An abstraction or simplification of actual relationships ; establishes cause-and-effect relationships.

- microeconomics - Study of individual units

- macroeconomics - Study of economy as a whole

- behavioural assumption - assumptions about how people behave.

Fill in the blanks (Economic Analysis)

1. Assumptions, Economic theories (or Models)

2. Economic Variables

3. economic model

4. depressions (or assumptions / hypotheses)

5. hypothesis

6. hypotheses, economic principles (or laws)

7. ceteris paribus, invisible hand.