

1 Economics: What It's All About

Drag a term below to its definition on the right.

behavioral assumption
marginal benefit
microeconomics
ceteris paribus
normative analysis
macroeconomics
scarcity
positive analysis
economic model
variable
marginal analysis
rational behavior
economics
marginal cost
theory

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

The additional value obtained when one extra unit of an item is obtained.

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

"Other things being equal"--used to acknowledge that influences other than the one whose effect is being analyzed must be controlled in testing a

Evaluates the desirability of alternative outcomes according to underlying value judgments.

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

The imbalance between the desires of people in a society and the means of satisfying those desires.

A simplified way of expressing economic behavior or how some sector of the economy functions.

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

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