- Алмухоссейн Шахади - 227 gr

summary of the economic way of thinking

economists study how People make choices when they cannot have everything they want. they use simple ideas called models to understand how the world works.

Main ideas:

1. People make choices: People usually try to get the most happiness from what they buy or the most money from what they sell.

2. Thinking at the margin: this means thinking about a little bit more or a little bit less. for ex: you should do more of something if the extra benefit is greater than the extra cost.

3. Models: economists use simple stories or models to understand complex things. these models help us see how one thing affects another.

4. ceteris Paribus: This means all other things being equal it is used to study how one change affects something by assuming nothing else changes.

5. Rational behavior: People make choices that they think are best for them. they choose the option that gives them the most benefit for the cost.

19/09/2025