The Economic way of Reasoning

The main goal of economic analysis is to understand how economies function and how people make choices under constraints. Economists assume that behavior is relatively predictable, often guided by objectives such as maximizing satisfaction (for consumers) or profit (for producers).
A key method is marginal analysis, where individuals weigh the extra benefits of an action against its extra costs to decide rationally.
Economic theories and models are simplified frameworks that explain cause-and-effect relationships among economic variables (like prices, employment, or investment). While modeles are abstract and do not cature every detail of reality, they help reveal fundamental forces and make predictions, often under the assumption of ceteris paribus (other things being equal").
Assumptions about behavior play a central role: businesses are assumed to maximize profit, while consumers are assumed to maximize satisfaction.
These assumptions allow economists to study how changes in variables influence decisions.
Ultimately, rational behavior means choosing the option where perceived benefits outweigh costs, acknowledging that scarcity forces trade-offs

For example, choosing to act in a pley rather than join a sports team is a rational decision if the personal satisfaction from acting is valued more highly.