Kosmas Marinakis, Ph.D.

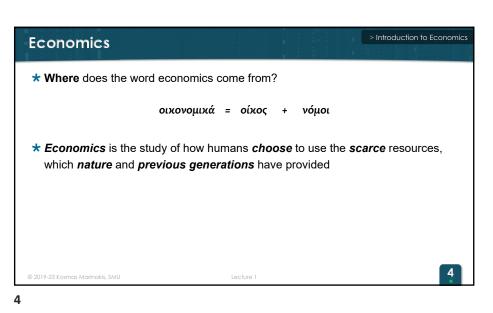
Lecture 1 **Basics & Prerequisites**

Economics

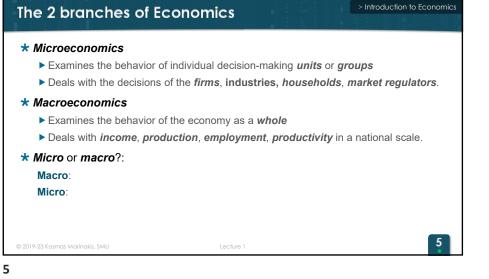


Basics & Prerequisites $\star \star \star \star \star \star$ OPORTUNITY COST WHAT IS ECONOMICS? GRAPHS & EQUATIONS **BASIC NOTIONS**

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Micro vs. Macro * Why economic units and the economy as a whole are analyzed with different branches of economics? * The reason is the fallacy of composition the erroneous belief that what is true for a part must also be true for the whole * Question: * Other examples:

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> Introduction to Economics

Economic actors

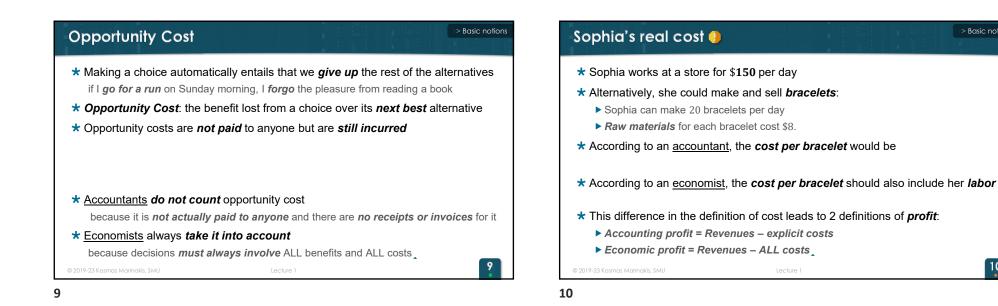
* For Economics, society is built by 3 different *basic blocks*:

- The <u>households</u>: sometimes referred to as "consumers" or "individuals" is the consuming unit of the economy
- The <u>firms</u>: sometimes referred to as "sellers" or "producers" is the *producing unit* of the economy
- ▶ The government: the economic unit that sets the rules for the economic activity.

Lecture 1

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External video 🕞

From a lecture given by Nobel laureate in Economics, Milton Friedman, in Pennsylvania in 1978. A member of the audience tries to lure Freedman into a logical fallacy. See how he shoots down the argument by making the fallacy visible to the audience. Try to figure out which kind of fallacy it is.



The Most Persistent Economic Fallacy of All Time! brittle13 · 378K views · 10 years ago From a lecture given by Dr. Milton Friedman in Erie, Pennsylvania (1978). This is essentially a restatement of the "parable of the

> Basic notions

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Internal video 🕞

This video will take you through graphs and equations at the level we will need them in this course. If you already have some technical background, you will find this video really easy. If not, it will not be hard to follow till the end.



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Thank you!

WARNING! •

The slides in this handout are created with the intention to serve as visual aid for the audience during the live presentation of the material in the lecture. As such, they are not designed to be standalone reading material and should be used strictly as reference, side by side with notes taken in the lecture. Studying solely from the slides is not recommended and might in some cases mislead those who have not attended the relevant lecture. Little or none tasks in test and exam can be answered solely from the slides.