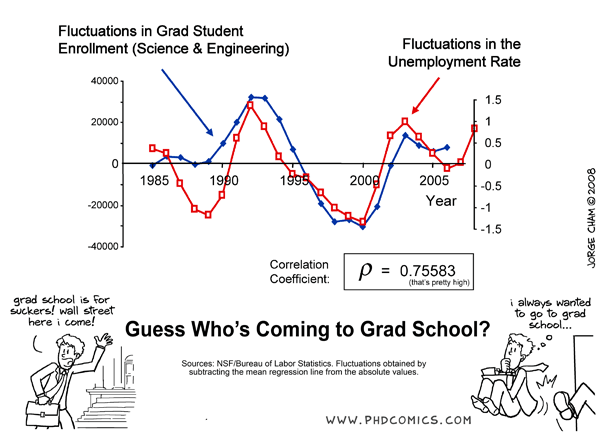
David Youngberg

Econ 301—Bethany College

**Lecture 01: Introduction & A Big Idea**

1. What is economics?
2. Trade offs
   1. The seen and the unseen
   2. *Opportunity cost*—net benefit of forgone option
   3. *Accounting profit*—revenue minus costs
   4. *Economic profit*—accounting profit minus opportunity cost



1. Quick examples
   1. Disasters and wars
   2. Government spending
   3. Barriers to trade and technology
2. Optimal harm
   1. Because we have trade-offs, all good things cost other good things. This sounds obvious, but it’s not.
      1. Testing drugs kills people.
   2. How much do you value your life?