Chapter 1: Introduction

Economics is the social science that studies the production, distribution and consumption of goods and services. It examines how society allocates its limited resources to satisfy seemingly unlimited and competing wants. This is where the study of economics comes in. Economics is the study of how people try to satisfy what appears to be seemingly unlimited and competing wants through the careful use of relatively scarce resources.
This leads us to the topic of this chapter, an introduction to the world of making decisions, processing information, and understanding behavior in markets—the world of economics. Each chapter in this book will start with a discussion about current (or sometimes past) events and revisit it at chapter's end—to "bring home" the ...