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Economic Way of Thinking

Economics way of thinking determines how to make choices under scarcity conditions, and system of distribution, consumption, and production. It also helps in examining the government policy effect and actions on the outcomes of the market. It provides a framework of decision making for policymakers, firms, and individual. It also gives the sense of comparative advantage, market failure, market structure, supply and demand, and international trade. It is also concerned with market forces, rational behavior, opportunity, efficiency and analysis of cost benefit.

Economics is involved in the area of purchasing of our daily life. The amount of money I have in my bank account chose the type of my purchase. Economics divides the purchasing choices into three groups which include inferior groups, normal groups, and luxury groups. For example, let's take the example of clothes. As I started earning more, I might buy expensive and branded clothes. Similarly, within the rise of my income I started purchasing more normal goods like restaurant foods and movie tickets. The purchase of luxury goods such as Porsche or Ferrari also MARincreases when someone started to earn a certain amount (Zuidhof, Peter-Wim, 160).

Life decisions are another different scenario which are made using economic reasoning. For example, When I choose to have children, whom I marry, and where I will live are few of these. Before making any of these decisions, I will perform a common economic method known as cost-benefit analysis and put the cons against the pros. The choice which provides more personal satisfaction, utility than others will be chosen.

Similarly, employment also uses principles of economics which played an important role in my life experiences and can be demonstrated as, when I left a high-paying job due to sixty working hours per week. Similarly, I also picked overtime shifts for earning more money at holidays.

# Works Cited

Zuidhof, Peter-Wim. "Thinking like an economist: The neoliberal politics of the economics textbook." *Review of Social Economy* 72.2 (2014): 157-185.