ECON 101 – Important Concepts
This does not contain all of the terms/concepts required for the final, but it is a great place to start as you begin reviewing.

- Opportunity cost
- Marginal cost
- Marginal Benefit
- Comparative Advantage
- Scarcity
- Production Possibility Frontier
- Principles of increase costs
- Division of Labor
- Specialization
- Market System
- Outsourcing
- Efficiency
- Quantity Demanded versus Demand
- Demand Curve
- Substitutes/complements
- Quantity Supplied versus Supply
- Supply Curve
- Equilibrium
- Price ceiling/floor
- Law of Demand
- Utility
- Marginal Utility
- Budget Set
- Optimal Purchase Rule
- Indifference Curve
- Willingness to pay/Marginal monetary utility
- Marginal Net Utility
- Consumer Surplus
- Price Elasticity of Demand
- Law of Supply
- Fixed costs
- Variable Costs
- Total Cost
- Average Total Cost
- Maximizing profits
- Firm Types
- Marginal vs. average cost
- Accounting Profit
- Economic Profit
- Marginal Revenue
- Tariff
- Quota
- Export
- Import
- Export Subsidy
- Autarky
- Trade Balance/surplus/deficit
- World Trade Organization
- Short run/long run
- Securities
- Stock
- Bond
- Interest Rate
- Dividend
- Arbitrage
- Speculation
- Patents
- Economic Rent
- Imperfect competition
- Market power
- Oligopoly
- Monopoly
- Marginal revenue
- Natural monopoly
- Price discrimination
- Perfectly contestable market
- Natural monopoly
- Average-cost pricing/cost-plus pricing (in regulation)
- Payoff matrix
- Externality
- Cost-plus pricing (in regulation)
- Concentration ratio
- “Best response”/strategy
- Nash equilibrium
- Externality
- Tragedy of the commons
- Coase Theorem
- Property rights
- Marginal social cost/benefit
- Marginal private cost/benefit
- Moral hazard
- Emissions tax
- Emissions permit
- Command-and-control methods
- moral hazard
- gross domestic product (GDP)
- consumer price index (CPI)
- nominal/real/per capita GDP
- aggregate supply/demand curve
- stabilization policy
- aggregate supply/demand curves
- stabilization policy
- unemployment rate
- inflation/deflation
- purchasing power
- nominal/real wage
- nominal price/relative price
- frictional/cyclical/structural unemployment
- aggregate supply/demand curves
- stabilization policy
- unemployment rate
- inflation/deflation
- purchasing power
- nominal/real wage
- nominal price/relative price
- frictional/cyclical/structural unemployment
- Present value
- hyperinflation
- indexing
- Marginal physical product/marginal revenue product
- Production function
- Diminishing returns to labor
- Segmented labor markets
- Marginal propensity to consume
- Consumption/investment/government expenditure/net exports
- Injection/Leakage/Multiplier
- Fiscal policy
- Stabilization policy
- Aggregate supply curve
- Stagflation
- Recessionary/inflationary gap
- Self-correcting mechanism
- Money
- Automatic Stabilizers
- Barter
- Commodity vs. fiat money
- M1 vs M2
- Liquidity
- Capital gain/loss
- Fractional reserve banking
- Commercial bank
- Deposit insurance
- Moral hazard
- Required/excess reserves
- Assets/liabilities/net worth
- Money multiplier
- Federal Funds rate
- Quantitative easing
- Operation Twist
- Solvency
- Velocity
- Quantity Equation
- Risk Premium
- Mortgage
- Securitization
- Bubble
- Exchange Rate
- Exchange Rate depreciation/appreciation
- Gold standard
- Fixed/flexible exchange rate
- Central bank intervention
- Balance of payments