Slembeck‘s “Ten Principles of Economics (as a Discipline)“

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1. **Scarcity**: Economists study situations where needs or wants exceed means. Therefore, people have to make choices.

2. **Rationality** is assumed to guide people's choices or decisions. They systematically gauge all pros (benefit or "utility") and cons ("cost") of all alternatives or options they are facing when deciding.

3. **Preferences**: People are equipped with fixed and given preferences that allow them to assign utilities to all options, and to choose the option that maximizes (net) utility.

4. **Restrictions**: People face constrains that they cannot change themselves, and thus have to take as given (such as budgets, input cost etc.). – Combining the first four points makes up for the "rational choice approach" of Neoclassical economics.

5. **Opportunity Cost** is induced by scarcity, and by the need to make choices. All choices always involve opportunity cost because deciding in favor of one option always means deciding against some other option(s). There are two main aspects of opportunity cost: 1) Utility maximizing choices induce opportunity cost to be minimal (*static aspect*). 2) Choices may be revised when opportunity cost rises (*dynamic aspect*).

6. The **Economic Principle** is the application of rationality to situations of scarcity: Minimize cost with regard to a given goal (e.g., level of utility) *OR* maximize utility or output for a given level of cost or input. Hence the "economic principle" frames situations as a minimizing or a maximizing problem, and allows to assess efficiency. Do not mix the two formulations! Applying the principle avoids wasting valuable resources.

7. **Efficiency** of activities, rules, transactions or distributions is a basic theme in economic analysis. Efficiency is most often assessed either in terms of the economic principle (minimize cost or maximize utility) or the Pareto criterion (with regard to transactions and distributions).

8. **Marginal Analysis** is a typical way for economists to look at problems. They analyze decisions in terms of marginal benefits and marginal costs. Marginal thinking is rather uncommon among non-economists, however.

9. **Equilibrium** is a fundamental notion in economic analysis. Basic economic models deal with the comparison of two (or possibly more) equilibria (*comparative statics*). Economist think in terms of equilibria, which are situations where no one has an incentive to change his or her behavior. The Nash equilibrium is the most fundamental formulation of the concept of equilibrium as used in economics.

10. **Game Theory** is an approach to study situations of interdependence where people have incentives to think and behave strategically.