



## **Strategic Decision Making - Module Overview**

This module will cover basic concepts in consumer and producer decision-making such as recognizing opportunity costs, using cost-benefit analysis to make decisions, avoiding decision pitfalls, the importance of thinking at the margin, and understanding potential gains from trade.

## **Strategic Decision Making - Learning Objectives**

- Understand the scarcity principle
- Understand different types of costs, how they affect decision outcomes, and how the cost-benefit principle can be applied
- Understand the principle of increasing opportunity costs
- Understand and apply marginal analysis to appropriate decisions
- Apply the principle of comparative advantage and understand what it implies for mutually beneficial trade

## **Strategic Decision Making - Module Topics**

- The Scarcity Principle – Is there such a thing as a “Free Lunch”?
- What are opportunity costs and why do they matter?
- Applying the Cost-Benefit Principle to decisions
- Marginal Analysis and quantity decisions
- The Not-All-Costs-and-Benefits-Matter Equally Principle
- The Principle of Comparative Advantage
- Basic theory of games