1. Understand comparative advantage.

2. Use supply and demand curves to analyze the impact of taxes etc. on consumer surplus and market efficiency.

3. Interpret estimates from linear regression models and use these models to test hypothesis and make forecasts. Be able to use standard software to carry out regression analyses with real data.

4. Understand how to evaluate macroeconomic conditions such as unemployment, inflation, and growth.

5. Understand how monetary policy and fiscal policy can be used to influence short-run macroeconomic conditions.

6. Understand basic accounting principles and how these relate to economic profit calculations.