

A new house: there  
are 10 principles of  
economics essay  
sample



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BUSTER**

There are 10 principles of economics. The principles that I feel I would use in order to purchase a larger home to make room for a new child would be marginal changes, trade-offs, and the cost of something is what you give up to get it.. The 10 principles are important to know especially in our economy today. As with most goods there are costs and benefits.

The principle I would consider when purchasing a new home is marginal changes. I would not want to purchase a home that was much more expensive than what I am currently paying. I would like to think of myself as a rational person. I would rather pay a slight difference in order to be closer to services needed, but if the price is much larger I would rather look elsewhere.

With principle 1, trade-offs, I feel that we all use this at one point in order to make decisions. When purchasing a home you must decide whether to look at location before price or vice versa. In this situation you have a child and their wellbeing at hand. Most likely you would look at location before price because the child is going to be raised in this area. In this economy today there are a lot of trade-offs. We must decide whether to pay extra money on “ better quality” of gas or go for the cheaper gas in order to get a fuller tank.

Principle 2, the cost of something is what you give up to get it, is something we must all keep in mind. If you are buying a house you have to decide if the price of the house is worth the benefits. If you buy a house close to a school the cost will likely be higher, but if you buy a house close to a bus stop and farther from the school it may be cheaper. So are you going to give up the convenience of being close to the school in order to have more affordable

payments or are you going to give up extra spending money for convenience? As per the example school, college is not cheap, but one must decide if the time and money is worth the end benefits.