



पु.ना International School

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What is Economics?





WHAT IS ECONOMICS



Economics is about the allocation of scarce resources.



Economics looks at how governments, businesses and people use and allocate resources to satisfy their wants and needs.



What is Economics?

- **The study of production, distribution, and consumption of goods and services within a society.**
- **It is the study of how people make choices and decisions with limited resources to satisfy wants, needs, and desires.**





Why do we study economics?

- Economics helps us learn how the world functions.
- Economics helps guide us through our decision making processes.
- Economics studies **Needs vs. Wants**





TYPES

MICROECONOMICS
(a single consumer)

MACROECONOMICS
(economy as a whole)

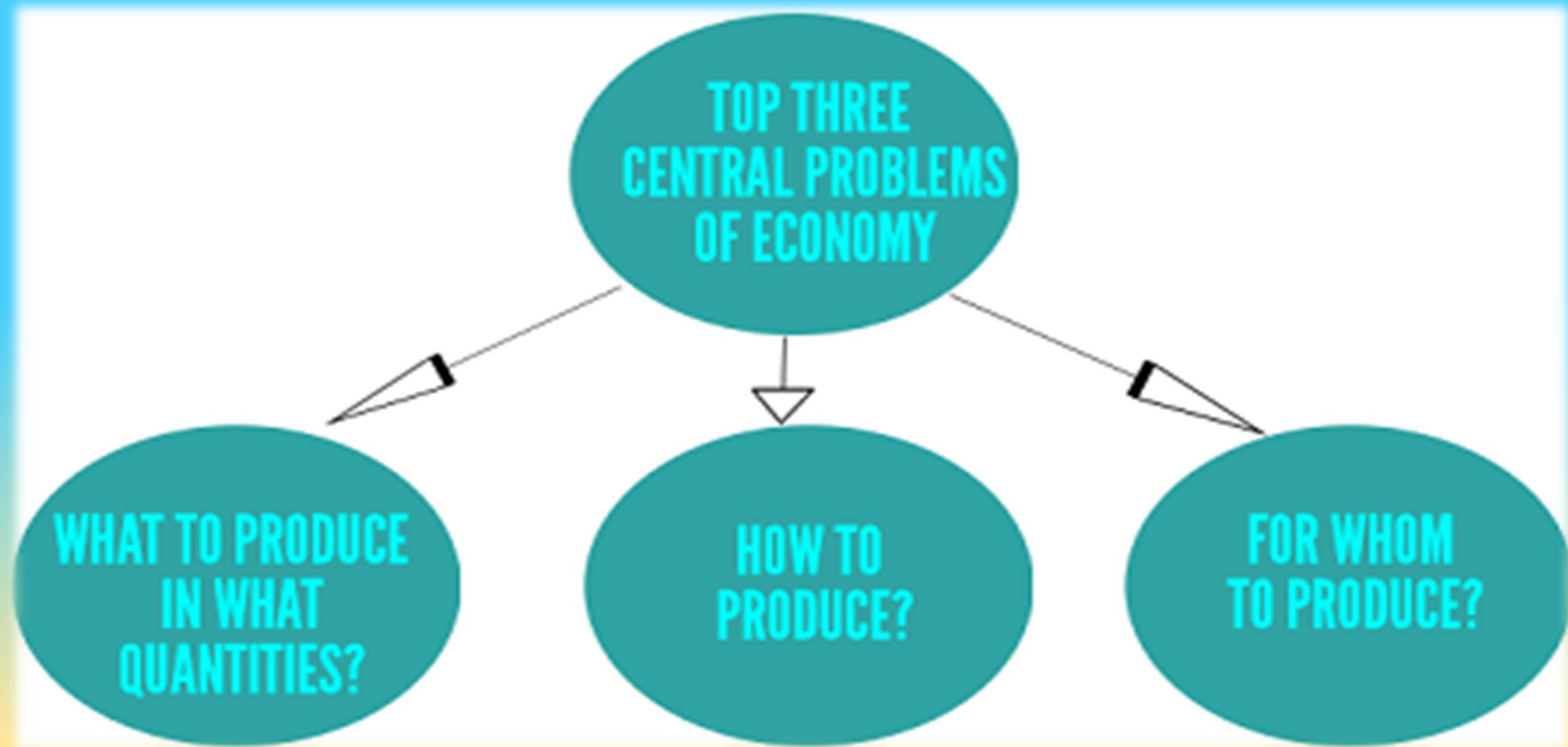


Basic problem of economy

Scarce resources

Unlimited wants

Alternative uses





What to produce and in what quantities?

- Problem of allocation of resources.

How to produce?

- Related to choice of technique of production.

For whom to produce?

- Problem of distribution of total production among the owners of the factors of production.