



Economics & You

By Suvidha



Introduction of Economics:

Basic Concepts and Principles



Introduction to Economics




What is Economics?

- Greek Word (Eco + Nomos) i.e. Home Accounts
- Developed in 19th Century

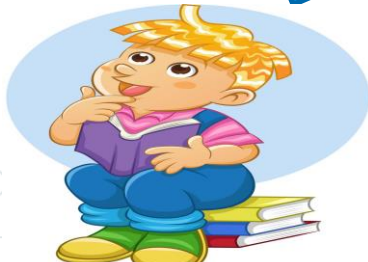
Standard Definition

A Social Science directed the at the satisfaction of the needs and wants through the allocation of scarce resources which have alternative uses.



More Definitions:-

- Economics is the study of scarcity and choice.
- Economics find ways of reconciling unlimited wants with the limited resources
- Economics explains the problems of living in communities in terms of underlying resource cost and consumer benefits
- Economics is a Social Science concerned with the production, distribution and consumption of resources

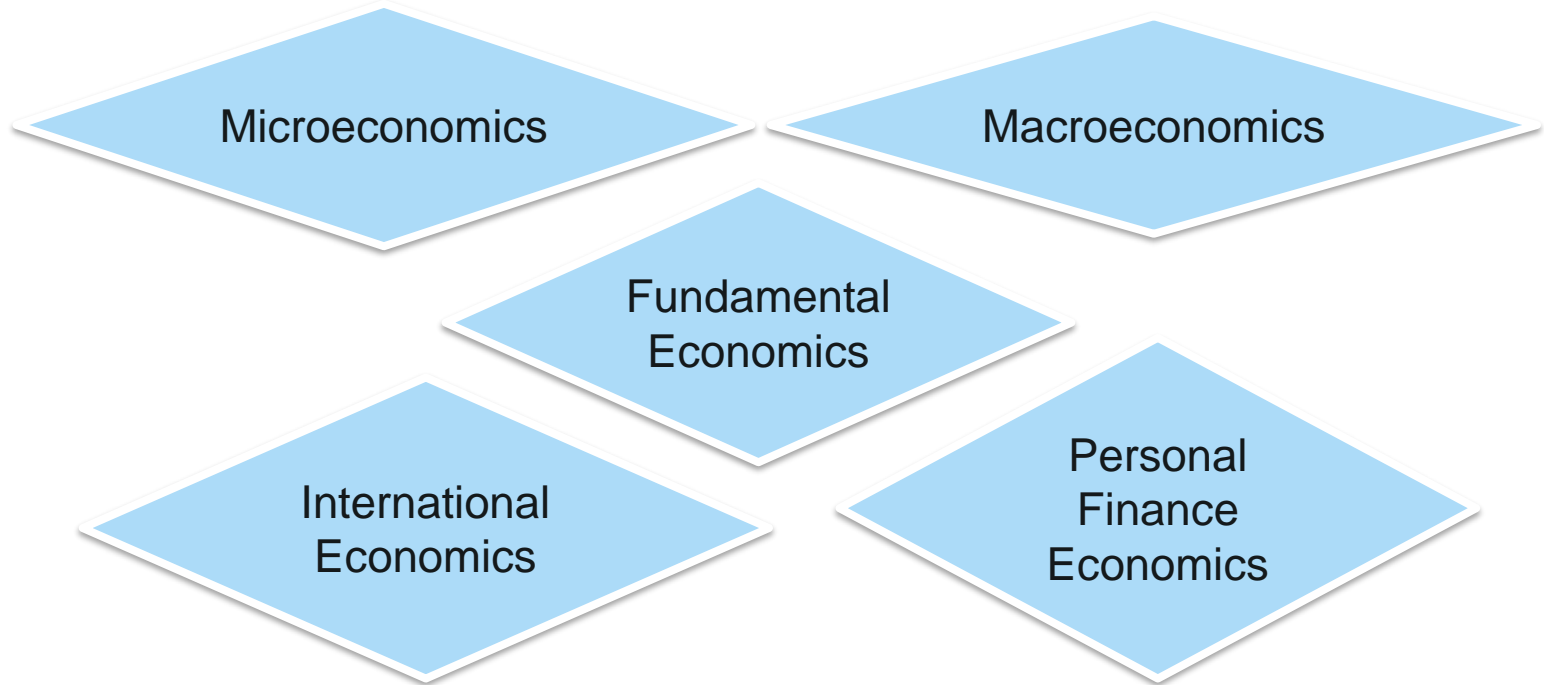


10 Principles of Economics (Gregory Mankiw)

- ◎ People face trade-offs
- ◎ The cost is something what you give up to get it
- ◎ Rational people think at the margin
- ◎ People respond to incentives
- ◎ Trade can make everyone better off
- ◎ Markets are actually a good way to organize economy
- ◎ Government can sometimes improve economic outcomes
- ◎ A country standard of living depends upon its ability to produce good and services
- ◎ Prices rise when the country prints too much money
- ◎ Society faces short run trade-off between inflation and unemployment



Concepts of Economics



G A M E

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