

1. CONTENTS

a) what is Economics?

1. resources are scarce (natural, physical and human) and Scarcity in strong and weak form
2. resources have limited and alternative uses and how to get maximum utilisation from this limited resources.
3. So economics teaches us how to get optimum utilisation from this limited resources which have limited and alternative uses.
4. Smith, Marshall and Robbins view

b) Economics from a micro and macro point of view.

Study of individual vs study of aggregate phenomenon

E.g.-income of a household or a firm vs aggregate income etc.

c) **Microeconomics** consider consumer theory, producer theory, market study and distribution theory.

d) **Macroeconomics** consider circular flow , national income, Keynesian economics .

e) other aspects in the study of economics are

1. public finance
2. Money and banking
3. Trade
4. Indian economy
5. statistics.

Microeconomics

1. consumer theory includes

- a) *want vs need*
- b) *utility- cardinal vs ordinal*
- c) *demand and supply* – definition, determinants of demand and supply, changes in demand vs changes in quantity demanded, law of demand and supply and elasticity of demand and supply etc.

2. producer theory includes

- a) production, cost and revenue analysis

3. **market study** includes different types and behaviour of market

4. **distribution study** includes distribution of factor prices among factors of production.

Macroeconomics

1.circular flow includes different sectors and relation among them

2.nation income includes it's definition, types etc.

3.Keynesian Economics includes his idea of approaching Macroeconomics .

4.Money & banking includes definition and functions of money, banking analysis etc.