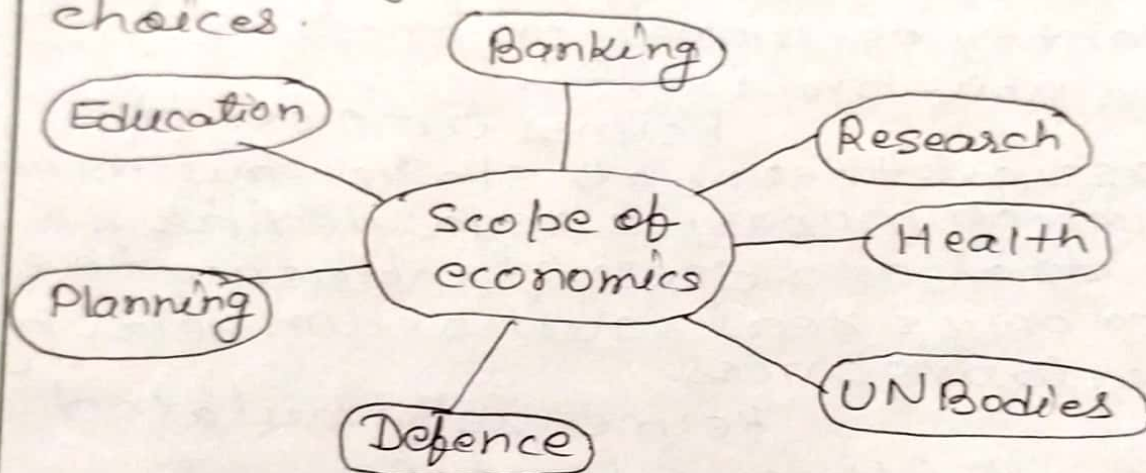


Subsidiary - D1, Economics

Topic - Exploring the subject matter of economics

Economics is the study of how individuals and societies choose to use the scarce resources that nature and previous generations have provided. Economics is a behavioural or social science. In large measure it is study of how people make choices.



The diverse field of economics

- Behavioural economics - Uses Psychological theories relating to emotions and social context to help understand economies and decision making policy.
- International economics - studies trade flows among countries & international financial institutions.
- Econometrics - Applies statistical techniques and data to economic problems in an effort to test hypothesis and theories.

Question No.)
→ Economic development - focuses on problems of low-income countries. Important concerns include population growth.

→ Finance - Economics examines the ways in which households or firms actually pay for. It studies capital market.

→ Health economics - Analyzes the health care system and its players.

Method of economics

→ Positive economics - An approach to economics that seeks to understand behaviour and the operation of systems without making judgement. It describes what exists and how it works.

→ Normative economics - An approach to economics that analyses outcomes of economic behaviour, evaluates them as good or bad and may prescribe course of action. Also called policy economics.

→ Descriptive economics - The compilation of data that describes phenomena and facts.

→ Economic theory - A statement or set of related statements about cause, effect, action and reaction.

→ Three economic Problem :-

A. What gets produced.

B. How is it produced

C. Who get it