ECONOMICS AND THE DIFFERENCE BETWEEN MICRO ECONOMICS AND MACROECONOMICS

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1. ECONOMICS
WHAT IS ECONOMICS?

Economics can be defined in many different ways. The most known definition is it’s the social science which studies decision making in the face of scarcity*, the study of how people use resources and respond to impulses. It often involves topics like wealth and finance, and monitors the consumption, production and distribution of goods exchanged and services.

- *Scarcity means that human wants for goods, services and resources exceed what is available, which is mainly known as the economic problem. It has 2 main types:
  - Micro-economics
  - Macro-economics
Human wants are unlimited but resources are scarce
2. MICRO-ECONOMICS
MICRO-ECONOMICS IS

The science that studies part of the economy, the choices and behaviors of individual consumers, businesses and governments. It deals with a specific industry or sector, the connection of firms and households in the market.

Micro- economics has 3 main participant:

- **Consumer** (Household sector)
- **Producer** (Business men/women)
- **Government** (monitor the relationship between the consumer and the producer)
3. MACRO-ECONOMICS
MACRO-ECONOMICS IS

The study of the entire economy as a whole, which concerns with the relationships between broadly defined economic variables such as the overall price level, total output and unemployment. It is also known as the income theory because it explains the changing levels of national income of economy during a specific time period.
4. CONCLUSION
CONCLUSION

**Economics** seeks to understand and address the problem of scarcity, which is when human wants for goods and services exceed the available supply. A modern economy displays a division of labor, in which people earn income by specializing in what they produce and then use that income to purchase the products they need or wants. We have 2 types:

1. Micro- Economics

2. Macro-Economics
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THANK YOU! ANY QUESTIONS?