

Introduction to Economics

Chapter 8: Introduction to Economics · Topic 1

Key Concept

Economics addresses the fundamental problem of scarcity - unlimited human wants versus limited resources to satisfy them.

Microeconomics studies individual decision-making by consumers and businesses, while macroeconomics studies the economy as a whole.

Key economic concepts include supply and demand, which determine prices and quantities of goods and services in a market.

Understanding basic economics helps us make informed decisions about resources, spending, and understanding broader economic policies.

Quick Revision Notes

- Economics: choices about production, distribution.
- Addresses scarcity: unlimited wants, limited resources.
- Microeconomics: individual decision-making.
- Macroeconomics: economy as a whole.
- Key concept: supply and demand.
- These determine prices, quantities.
- Understanding economics aids informed decisions.
- It also helps understand economic policies.

Practice Questions

- 1 Discuss the concept of scarcity with an example.
- 2 Discuss the difference between microeconomics and macroeconomics.
- 3 Research how supply and demand affect prices.
- 4 Discuss a personal economic decision you made.
- 5 Research a government economic policy.
- 6 Explain basic economics in your own words.