1. scarce
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summary

The central problem of economics is scarcity. limited resources versus unlimited wants.

Because resources are scarce, People and sources face opportunity costs, meaning every choice involves giving up the next best alternative.

Economics addresses three basic questions:-

1- What to Porduce? societies must decide which goods and services to prioritize.

2- How to produce? choices involve methods of Production - labor vs. Machines, natural vs. chemical methods, Public vs. Private production.

3- for whom to Production? Distribution can be equal. based on ability to Pay, or through special Privileges.

- Microeconomics:- studies individual decisions, prices, and markets (sometimes called price theory).
- Macroeconomics:- studies overall Performance, unemployment, inflation, and national, growth.

- Economic analysis is also of two types:-
- Positive analysis:- explains cause-and-effect relationships and predicts outcomes (fact-based. if then statements).
- Normative analysis:- evaluates outcomes based on value judgment and recommends what should be done.

1- scarce

2- unlimited

3- Scarcity

4- opportunity costs

5- next best

6- efficiency

7- Microeconomics

8- Macroeconomics

9- Macroeconomics

10- Microeconomics

11- What is

12- Normative

13- Value judgment