

SAINTS OPEN COURSEWARE FOR BUSINESS STUDIES

Microeconomics

Economics

Economics is the study of how humans make decisions in the face of scarcity. These can be individual decisions, family decisions, business decisions or societal decisions.

Microeconomics and Macroeconomics

Economics is concerned with the well-being of *all* people, including those with jobs and those without jobs, as well as those with high incomes and those with low incomes.

Economics covers such a large area that it can be divided into two parts:

- Microeconomics focuses on the actions of individual agents within the economy, like households, workers, and Businesses.
- Macroeconomics looks at the economy as a whole. It focuses on broad issues such as growth of production, the number of unemployed people, the inflationary increase in prices, government deficits, and levels of exports and imports.

Microeconomics and macroeconomics are not separate subjects, but rather complementary perspectives on the overall subject of the economy.

To understand why both microeconomic and macroeconomic perspectives are useful, consider the problem of studying a biological ecosystem like a lake. One person who sets out to study the lake might focus on specific topics: certain kinds of algae or plant life; the characteristics of particular fish or snails; or the trees surrounding the lake.

Another person might take an overall view and instead consider the entire ecosystem of the lake from top to bottom; what eats what, how the system stays in a rough balance, and what environmental stresses affect this balance.

Both approaches are useful, and both examine the same lake, but the viewpoints are different. In a similar way, both microeconomics and macroeconomics study the same economy, but each has a different viewpoint.

Essentials of Microeconomics

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Essentials of Microeconomics Chapters		Study Material	Revision Notes	Exam Material
1. Introduction				
2. Supply, Demand and Market Equilibrium				
3. Consumer Theory				
4. Demand				
5. Income and Substitution Effects				
6. Choice under Uncertainty				
7. Production				
8. Costs				
9. Perfect Competition				
10. Market Intervention and Welfare Effects				
	11. Monopoly			
	12. Price Discrimination			
	13. Game Theory			
	14. Oligopoly			
	15. Monopolistic Competition			
	16. Labor	✓		
	17. Capital			
	18. General Equilibrium			
	19. Externalities			
	20. Public Goods			
	21. Asymmetric Information			