

ECONOMICS can be classified into four main groups -

- 1. Wealth definition
- 2. Welfare
- 3. Scarcity
- 4. Growth

→ Wealth definition -

Economics is the science of wealth. According to the definition of Adam Smith, Economics is only concerned with wealth earning activities. Every human living in the society needs wealth to fulfill their basic requirements. In simple meaning, wealth means money. All the humans living in the society are concerned to earn more and more wealth.

→ Economics is the science of wealth.

→ "An enquiry into the nature and causes of wealth of Nations." James book wealth
→ Adam Smith is the author of the famous book.

→ We study about consumption, production, exchange and distribution of wealth.

b)

Welfare definition →

Welfare economics is the study of how the allocation of resources and goods affects social welfare. In his definition

(Marshall) he gave more importance to human welfare in comparison. Alfred Marshall wrote a book "Principles of Economics" in 1890 economics wealth refers to those goods which satisfy human wants. i.e. study human welfare more important than in comparison to wealth.

→ Economics is the study of Man in the ordinary business of life.

→ We study about Man as "buyer or seller, producer and consumer, investor, employer and worker".

→ It studies the ordinary activities of human life.

Scarcity definition →

Scarcity definition of economics was given by Prof. Lionel Robbins in his book "An Essay on Essay".

On the "Nature and Significance of Economic Science." Economics is the study of economic given ends and scarce means, which have alternative uses. Scarcity is the limited availability of a commodity. Scarcity refers to the basic economic problem that is the gap between limited that is scarce. Economic decisions must be made regularly in order to manage the availability.

- Human beings has unlimited wants. Economics focuses on the action of human beings.
- Economics is about the study of scarcity.
- Economics is a science of choice.
- Resources have alternative uses.

→ Growth definition →

Economic growth occurs whenever people use resources and rearrange them. Growth creates more profit.

far, business. Paul. A. Samuelson
definition growth of economics.
Growth is an increase in the
Production of economic goods and
services. It analyses the cost and
benefit benefits of improving patterns
of resource allocation.

- Economics is the study of how Man and Society choose.
- Economics growth is an increase in the Production of goods and services in an economy
- It includes (human capital, labor force and technology)