

CHAPTER

1

Introduction To
Micro-Economics

“Economics is everywhere, and understanding economics can help you make better decisions and lead a happier life”

–Tyler Cowen



LEARNING OBJECTIVES

- 1 To acquire a fundamental knowledge on the subject of Economics and to understand its nature and scope; and,
- 2 To understand the meaning of some of the basic concepts of Economics and to observe how they are applied in the various definitions formulated on the science of Economics

1.1

Introduction

A subject should have a name or a title that facilitates a clear and correct understanding of its contents. In a subject like Economics, there are many books available with titles such as *Introductory Economics*, *Economics: An Introduction*, *Basic Economics*, *Elements of Economics*, *Elementary Economics*, *Fundamentals of Economics* etc. But these books have the same contents, though each is intended to serve readers of a different levels of interest and capacity.

A good introduction to a subject, besides containing the meaning of its title,

should have an explanation of the nature and scope of the subject, i.e., whether the subject is traditional or modern, static or dynamic. The readers should be in a position to clearly classify the subject as belonging to either arts alone, or to science alone or to both. The significance of all the branches of the subject should find a place in it. As they go through the introduction, the readers should be able to understand the relationships of the subject with other subjects. Newer areas incorporated into the subject and the newer ways of comprehending its contents are to be highlighted in the introduction. The methodologies applied in the derivation of its laws are to be stated in such an introduction.