

ECONOMICS

What is it?



The word **economics** or economy consists of two Greek words **household** and **law**.



So, economics is the science of household management



For the history of economics.

- For the first time Aristotle spoke about this science.
- Greek Xenophon wrote the book “Economics”, where he argued economics rules.
- “Domostroi” was the same book in Russia.
- The first man, who receive the Nobel Memorial Prize in Economic Science, was Jan Tinbergen.

Resources

MATERIAL:

Housing

Heating

Tools



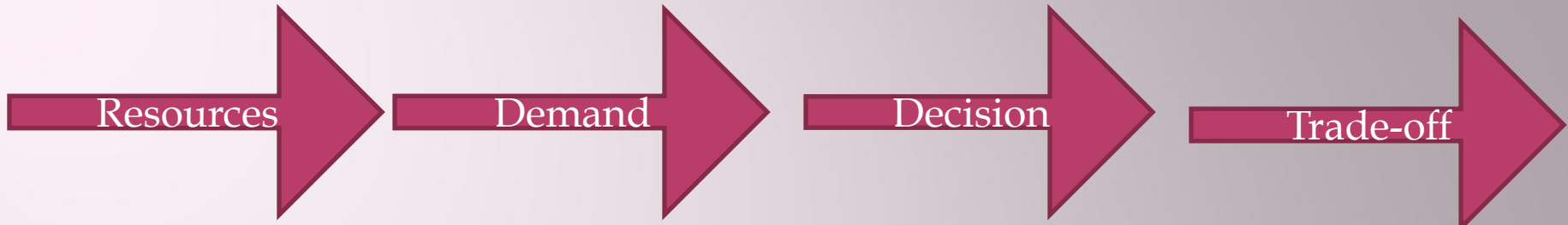
NON-MATERIAL:

Time

Space

Convenience





Resources are limited, but our demand for them certainly is not.

Our every day life is full of different decisions.

Every decision we make is a trade-off.



Areas of economics

Microeconomics-science about business and people

Macroeconomics-science about all economics

Study:

- Families household budgets
- Small or large companies



Study:

- Economics of a country
- Economics of the whole world



Microeconomics and Macroeconomics are closely related.

Types of economics

CLASSICAL

Value of the goods

Cost of the production

NEOCLASSICAL

Economy work

Supply

Demand

THE FATHER OF MODERN ECONOMICS

Adam Smith



He was born on the 5 of June in 1723. But it isn't an exact date.

His father, also named Adam Smith, was married Margaret Douglas in 1720 and died six months after Smith's birth. Smith was really close to his mother.

During all life Smith developed his passion for liberty, reason, and free speech. He studied at the University of Glasgow, Oxford. Smith considered the teaching at Glasgow beter that at Oxford, which he found intellectually stifling.

The famous Smith's book is *The Wealth of Nations*.

He died on the 17 of July in 1790, in Edinburgh, Scotland.

What's it good for?

Nowadays economists try to answer to this question.

Positive economists

Try

- ▣ to explain the behaviour of the economy
- ▣ to guess economic changes before they happen

Say

- ▣ - "This is how it is..."

Normative economists

Try

- ▣ to improve the economy

Say

- ▣ - "We should..."



Economists

Collect data

Create
economic
model

Formulate
theories

Include facts
and figures
about almost
anything,
from birth
rates to coffee
production

Show
relationships
between
these
different data

From this
information,
economists
make theories
which explain
why the
economy
works the way
it does

Economics in our life.

Advertising



Economics in our life.

Money



Economics in our life.

Shops



Economics in our life.

Banks



**THANKS FOR YOUR
ATTENTION**

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