

Definition Economics and Economy

Definition of Economics

Economics is defined as a technique or a tool of balancing most of the needs which can be termed as a credit and the limited resources, which can be termed as a debit. Keeping a proper and healthy balance between these two terms is nothing but economics. It is one of the Economics basic definitions. Apart from this, we have different basic definitions of Economics there, based on the scenario. Before going to the fundamentals of economics, it has two streams. Namely- macroeconomics and microeconomics.

economics

We all encounter words like economics and the economy, in our day to day life. But there are only a few people who can actually define and differentiate these two. Basically, **economics** is the study of an economy, i.e. its structure, condition, working, performance, issues, remedies, etc. It includes the analysis of the different types of the economic system, economic decisions and its implementation by various economic units, such as individual, family, institutions, government, etc.

economy

On the other hand, an **economy** indicates a region, a particular area or country, concerning production, distribution, consumption, and exchange of goods and services, and supply of money. Let's take a look at the article given below to understand the difference between economics and the economy.

Macroeconomics:-

Macro means large. Macroeconomics deals with large economic related issues like a whole entity or a big organization or the entire nation or the whole city or a complete project etc. Inflation, annual budgets, scarcity, poverty, etc. can come under macroeconomics.

Microeconomics:-

on the other hand micro means small. The microeconomics deals with small units, single apartments, individual plants, household activities, part of your project, a single event, etc. come under the microeconomics.

Difference between Micro and Macro Economics

There are a few differences between these two categories. Here are the primary

S.No	Microeconomics	Macroeconomics
1.	Microeconomics studies individual economic units	Macroeconomics studies a nation's economy, as well as its various aggregates.
2.	Microeconomics primarily deals with individual income, output, price of goods, etc.	Macroeconomics is the study of aggregates such as national output, income, as well as general price levels.
3.	Microeconomics focuses on overcoming issues concerning the allocation of resources and Price discrimination	Macroeconomics focuses on upholding issues like employment and national household income.
4.	Microeconomics accounts for factors like demand and supply of a particular commodity.	Macroeconomics account for the aggregated demand and supply of a nation's economy.
5.	Microeconomics offers a picture of the goods and services that are required for an efficient economy. It also shows the goods and services that might grow in demand in future.	Macroeconomics helps ensure optimum utilisation of the resources available to a country.
6.	Microeconomics helps point out how equilibrium can be achieved at a small scale.	Macroeconomics help determine the equilibrium levels of employment and income of the nation.
7.	Microeconomics also focuses on issues arising due to price variation and income levels.	The primary component of macroeconomic problems is income.

dissimilarities –

Microeconomics Vs Macroeconomics

Examples of Microeconomics and Macroeconomics

Example of Microeconomics –

- Price determination of a particular commodity.
- Consumer equilibrium
- Output generated by an individual organisation.
- Individual income and savings.

Example of Macroeconomics –

- National income and savings.
- General price level.
- Aggregated demand as well as supply.
- poverty
- Rate of unemployment.

Difference between Micro and Macro Economics

Micro Economics talks about the actions of an individual unit, i.e. an individual, firm, household, market, industry, etc. On the other hand, the **Macro**

Economics studies the economy as a whole, i.e. it assesses not a single unit but the combination of all i.e. firms, households, nation, industries, market, etc

What Is Economic Growth?

Economic growth is an increase in the production of economic goods and services, compared from one period of time to another. It can be measured in nominal or real (adjusted for inflation) terms. Traditionally, aggregate economic growth is measured in terms of gross national product (GNP) or gross domestic product (GDP), although alternative metrics are sometimes used

Inclusive growth

Over the past two decades, India's contribution to global economic growth has doubled to almost 15 percent. Further, income poverty levels have declined, resulting in 133 million people being lifted out of poverty in the past 20 years. However, nearly 300 million people still live in extreme poverty. UNDP supports government efforts to reduce poverty and achieve sustainable development that leads to transformational change, bringing about real improvements in people's lives and leaving no one behind.

Our programmes aim to secure livelihoods through skills trainings, support protective legislations and access to entitlements, provide policy research and evidence, build capacity and promote South-South cooperation to eradicate poverty, and ensure government's anti-poverty policies are more inclusive.

Economic stability

Economic stability refers to an absence of excessive fluctuations in the macroeconomy. An economy with fairly constant output growth and low and stable inflation would be considered economically stable. An economy with frequent large recessions, a pronounced business cycle, very high or variable inflation, or frequent financial crises would be considered economically unstable.