

Micro and Macro - R & U - Very Short - Info & Con

Q.1. What is economics about?

Or

What is the subject matter of economics?

Ans. Economics is the study of the problems arising out of scarcity of means/resources at the micro and macro levels.

Q.2. What is microeconomics?

Ans. Microeconomics deals with economic issues (or economic problems) at the level of an individual—an individual consumer, an individual firm, an individual industry or an individual market. Example: Problem of choice of technique of production faced by a manufacturing firm.

Q.3. What is macroeconomics?

Ans. Macroeconomics deals with economic issues (or economic problems) at the level of an economy as a whole. Example: Problem of unemployment in the economy.

Q.4. Give two example of microeconomic studies.

Ans. i. Price determination in the commodity market, and
ii. Consumer's equilibrium.

Q.5. Give two examples of macroeconomic studies.

Ans. i. Problem of inflation in India, and
ii. Problem of unemployment in India.

Q.6. Write two basic components of microeconomics

Ans. i. heory of consumer behaviour, and
ii. Theory of producer behaviour.

Q.7. Write two basic components of macroeconomics.

Ans. i. Theory related to equilibrium level of output & employment, and
ii. Theory related to price behaviour (inflation and deflation) in the economy.