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* Where does the word economics come from?

home laws

οιχονομιχά = οίχος + νόμοι

(ikos) (nomi)

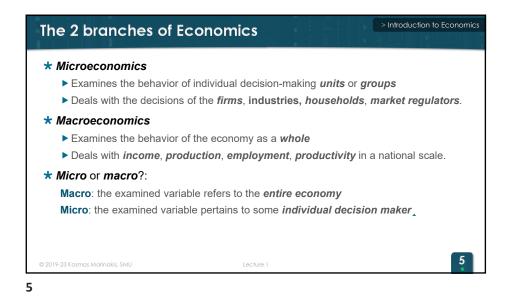
* Economics is the study of how humans choose to use the scarce resources, which nature and previous generations have provided

* Contrary to what most people believe, Economics is:

Less about money, finances and business

More about

* Why?



* Why economic units and the economy as a whole are analyzed with different branches of economics?

* The reason is the fallacy of composition the erroneous belief that what is true for a part must also be true for the whole

* Question:

* Other examples:

* For Economics, society is built by 3 different basic blocks:

► The households: sometimes referred to as "consumers" or "individuals" is the consuming unit of the economy

► The firms: sometimes referred to as "sellers" or "producers" is the producing unit of the economy

► The government: the economic unit that sets the rules for the economic activity.

* The same individual could be a household when we consider her choices as a consumer and a firm when she is producing or selling something

* Sony and Tesla are firms, the owners of which are households

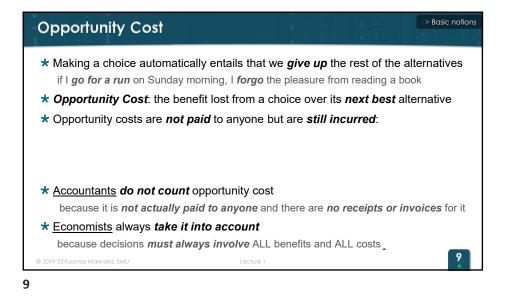
* MRT or SMU are firms, the owner of which is the government.

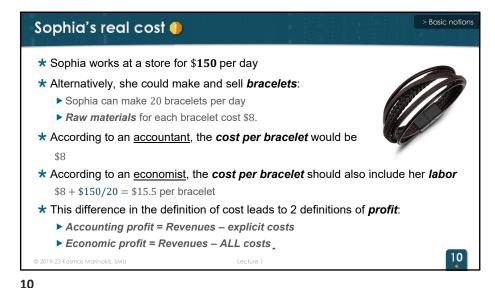
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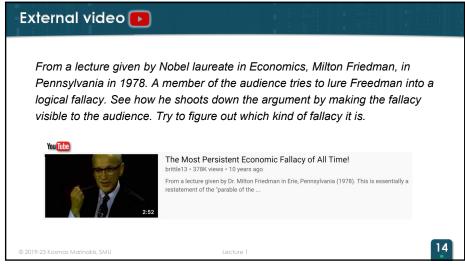
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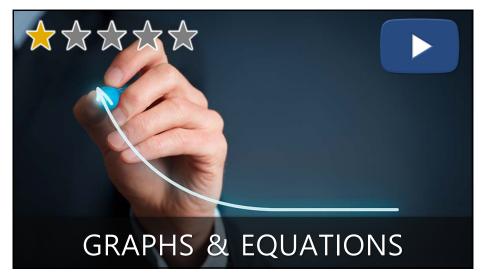


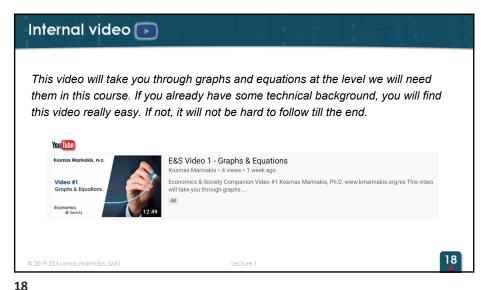




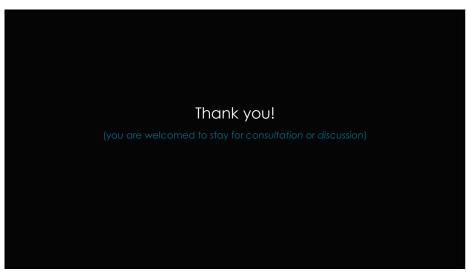


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WARNING!

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