Statistics

Unit 1

CH - 1

INTRODUCTION

→ As we Know, human wants are unlimited. there is a need of goods & services to satisfy these wants.

Economic goods

Goods which are scarce and command a price
Eg - Milk, pen, service of doctor, service of teacher etc.

Non - Economic goods

Goods which are available in plenty and do not command any market price. Eg - Sunshine, Rainfall etc.

→ Consumer - is a person who consumes goods & services to satisfy human wants.

→ Producer - is a person who produces or manufactures goods to generate income.

→ ** Service holder - is a person who is in a job to earn either wages or salaries.

→ Service provider - is a person who provides service to the society to earn money eg :- doctors, teachers etc

→ Activities - Human activities are classified as

Economic

Non Economic

Economic Activities

→ The activities which are performed to earn a living

→ Eg :- Businessmen, doctors, teacher, school etc.

→ Economic activities are classified as :-

a) Production - it is concerned with increasing the utility of goods and services.

b) Consumption - it is an economic activity which is concerned with use of goods & services.

c) Investment - it is concerned with increase in capital goods
eg :- Machine etc

d) Exchange - it is concerned with sale & purchase of commodities

e) Distribution - it deals with determination of price of factors of production (Land, Labour, Capital, Entrepreneur)

Rent
Wages
Interest
profit

Non Economic Activities

→ These are the activities which have no economic aspect

Eg :- charity, donation, Hobbies

→ Non economic activities are classified as :-

a) Social activities - marriages, picnic, etc etc

b) Religious activities - Satsang, worship, prayers etc

c) Charitable activities - donation, free medical help etc

d) Parental activities - love & affection towards children.

x ——— x ——— x ——— x ——— x ——— x ——— x

* Definition of Economics *

I. Wealth Definition

→ Adam Smith (father of Economics) published his book " An inquiry into the nature and causes of wealth of Nations " - in 1776

→ Criticism :- Narrow meaning of wealth

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II. Material welfare definition

→ Alfred Marshall in his book " Principles of Economics " published in 1890 has focused on study of mankind (welfare)

→ Criticism :- Wrong concept of Material goods.

:- Economics has no relation with Material welfare - Robbins

III. SCARCITY Definition

→ Lord Robbins in his book " An Essay on Nature & Significance of Economic Science " published in 1932 has focused on Scarcity.

→ Three important aspects in his definition :-

- Ends → Human wants
- Scarce Means → limited; साधन (Resource)
- Alternative uses

→ Criticism :- Neutral Between ends

ends → human wants.

prioritise (✓)

✱ Robbins definition was positive (Not Normative)

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"facts" (what is) — what ought to be

IV. GROWTH definition

→ It is given by Paul A. Samuelson.

→ Samuelson's definition combines the essential elements of definition by Marshall + Robbins

(welfare + Scarcity)

→ It is the most comprehensive definition.

* Nature of Economics *

Economics as Science	Economics as Art
positive science (✓) / Normative science (✓)	Art is the practical application of Knowledge for achieving some definite aim.
• Systematised Study • Scientific Laws • Cause & effect relationship • Verification of Laws	Science lays down principles while art puts these principles into practice. Economics is an art as it gives us practical guidance in solution to various economic problems.

* Micro Economics VS Macro economics. (✓)

Micro	Macro
individual	aggregate (economy as whole)

Individual	aggregate (economy as whole)
Tools:- demand & Supply	Tools - AD & AS
" Price Theory "	" Income & Employment theory "

x —— x —— x —— x —— x —— x —— x —— x —— x