

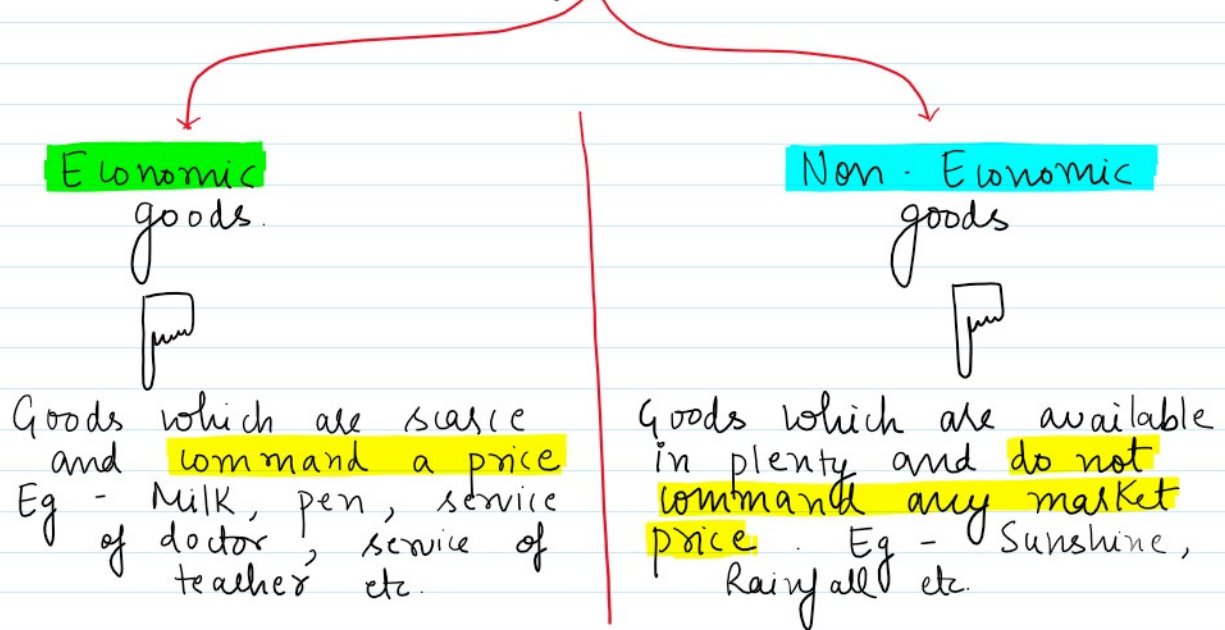
Statistics

Unit 1

CH-1

INTRODUCTION

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



- 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

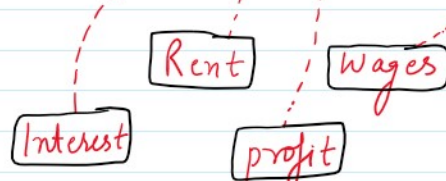


Economic Activities

→ the activities which are performed to earn a living

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

→ Economic activities are classified as :-

- Production** - it is concerned with increasing the utility of goods and services.
- Consumption** - it is an economic activity which is concerned with use of goods & services.
- Investment** - it is concerned with increase in capital goods
eg :- machine etc
- Exchange** - it is concerned with sale & purchase of commodities
- Distribution** - it deals with determination of price of factors of production (Land, Labour, Capital, Entrepreneur)


Non Economic Activities

→ These are the activities which have no economic aspect

Eg :- charity, donation, Hobbies

→ Non economic activities are classified as :-

- Social activities** - marriages, picnic, etc etc
- Religious activities** - Satsang, worship, prayers etc
- Charitable activities** - donation, free medical help etc
- Parental activities** - love & affection towards children.

* 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

→ Criticism :- Narrow meaning of wealth

II. Material welfare definition

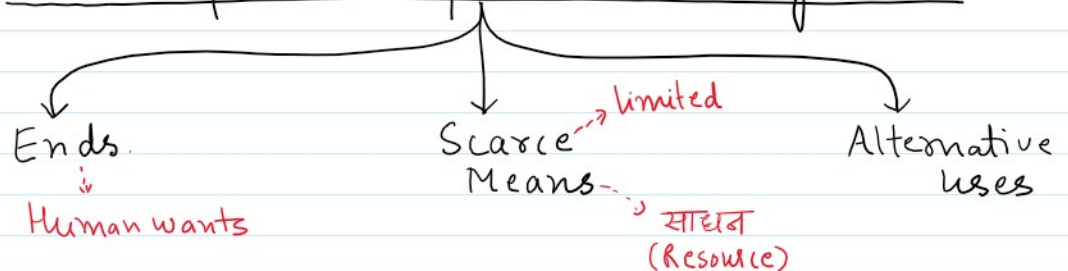
→ Alfred Marshall in his book "Principles of Economics" published in 1890 has focused on study of mankind (welfare)

→ 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 :-



→ Criticism :- Neutral Between ends ^(*)
human wants.
prioritise (✓)

* Robbins definition was positive (Not Normative)

* Robbins definition was positive (Not Normative)
"facts" (what is) what ought to be

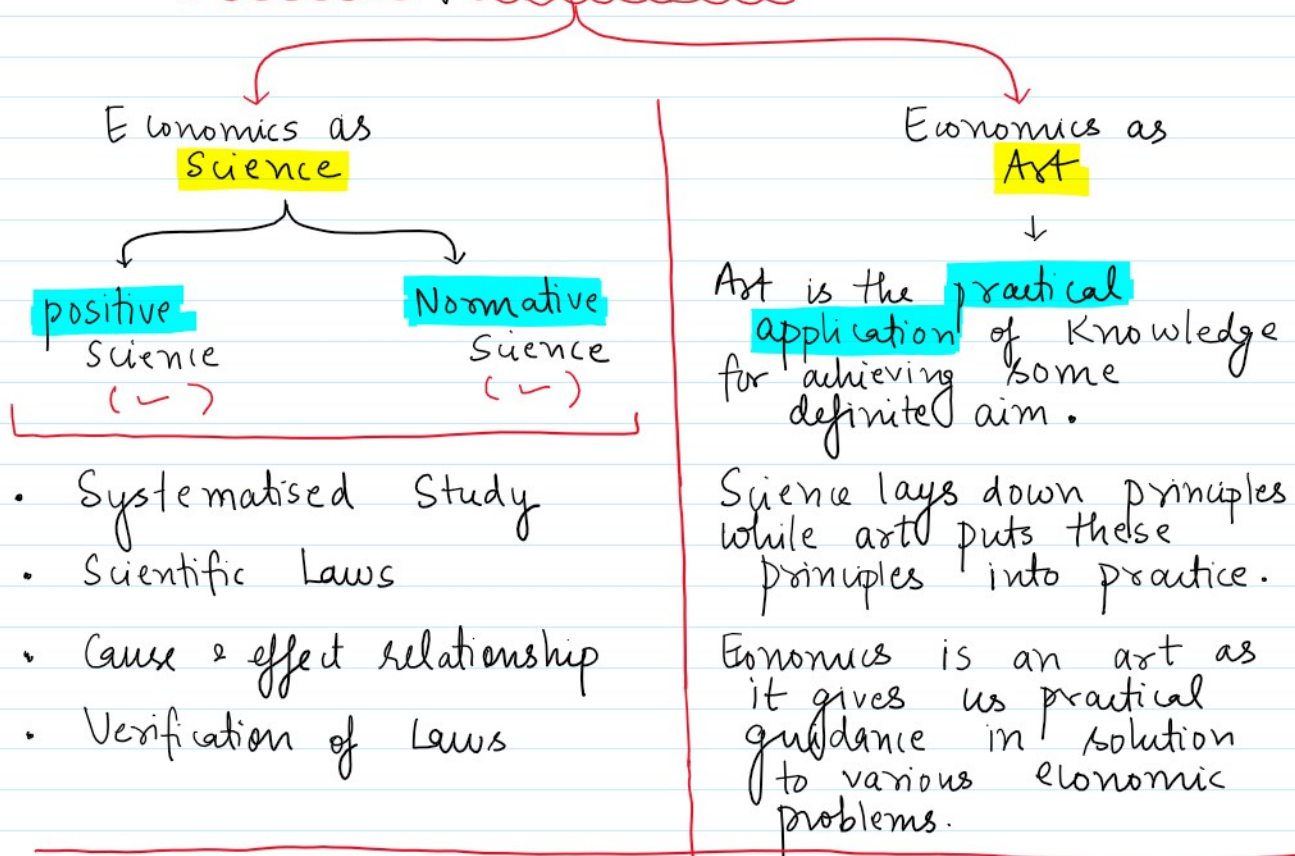
IV. GROWTH definition

→ 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 *



* Micro Economics VS Macro Economics. (✓)

↓ individual | ↓ aggregate (economy as whole)

Individual

Tools:- demand
+ Supply

" Price Theory "

aggregate (economy as
whole)

Tools - AD + AS

" Income + Employment
theory "

x — x — x — x — x — x — x — x — x — x