

Mohamed Kheider University

Level: 2nd Year Economics Sciences

Module: English

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Lesson 1: Introduction to Economics

- 1. The Origin of the word Economy.*
- 2. Definition of Economics.*
- 3. What makes it Scientific!*
- 4. What makes it social science!*
- 5. Branches of Economics.*

1. The Origin of the word Economy:

The word "Economics" comes from two Greek words, 'eco' means house and 'nomos' means law and accounts. The subject has developed from being about how to keep the family accounts into the wide-ranging subject of today.

2. Definition of Economics:

Economics is the social science that studies how goods and services are produced, distributed and consumed. It treated as the science of growth and development.

3. What makes it Scientific!

Economics is considered as a scientific study because it uses these three main elements:

- 3.1. Objectivity
- 3.2. Empiricism
- 3.3. Exactness

4. What makes it social science!

Economics is regarded as a social science because it deals with human activities and constructions in environments with scarce resources and uses the scientific method and empirical evidence to build its base of knowledge.

5. Branches of Economics

The study of Economics is divided into two distinct branches. They are: Micro Economics and Macro Economics

5.1. Micro Economics

The word "micro" means very small. It implies study of economics at a very small level. It studies the behavior of an individual as a buyer and seller.

5.2. Macro Economics

The word macro means very large. It deals with economic aggregates at the level of the whole economy.