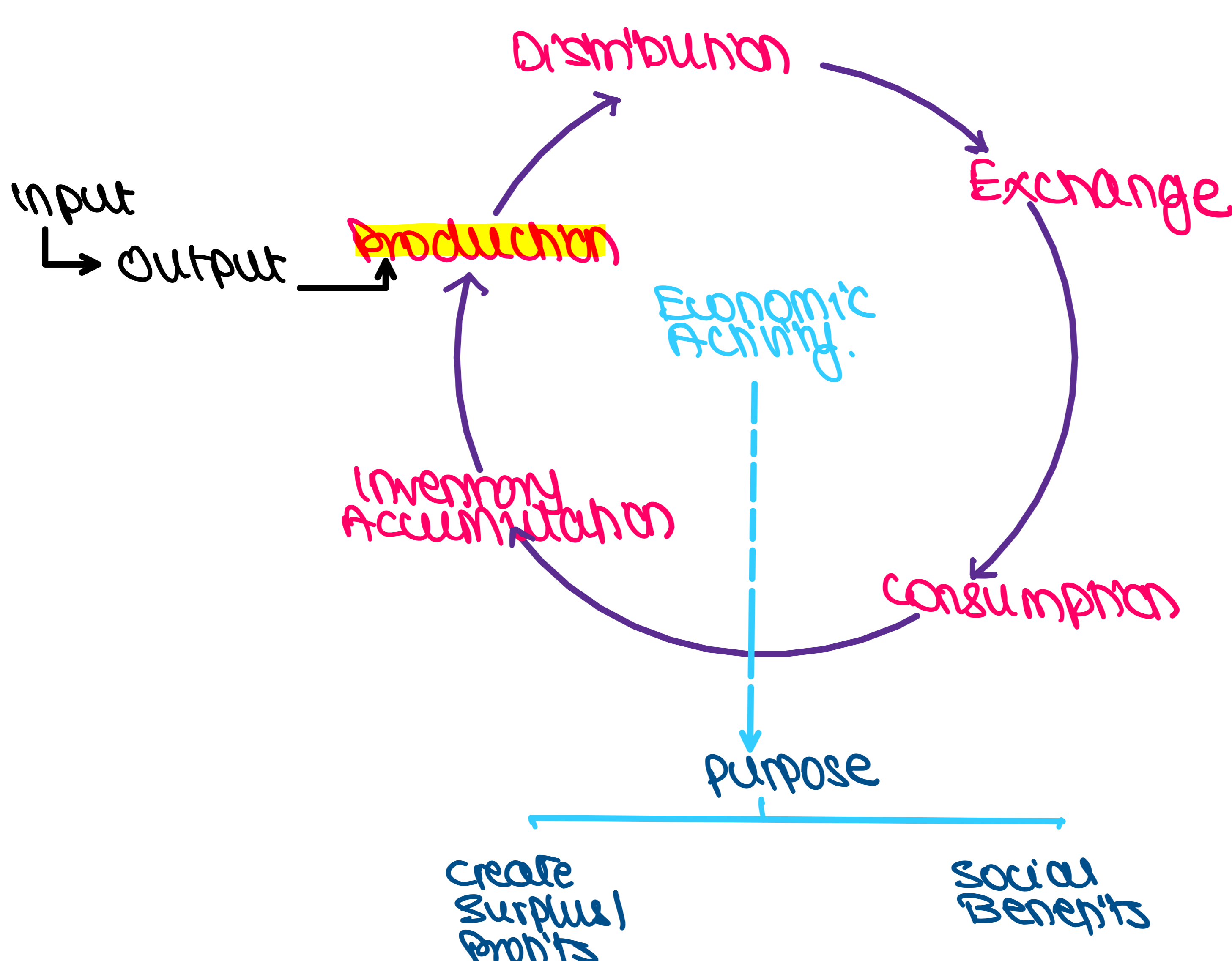
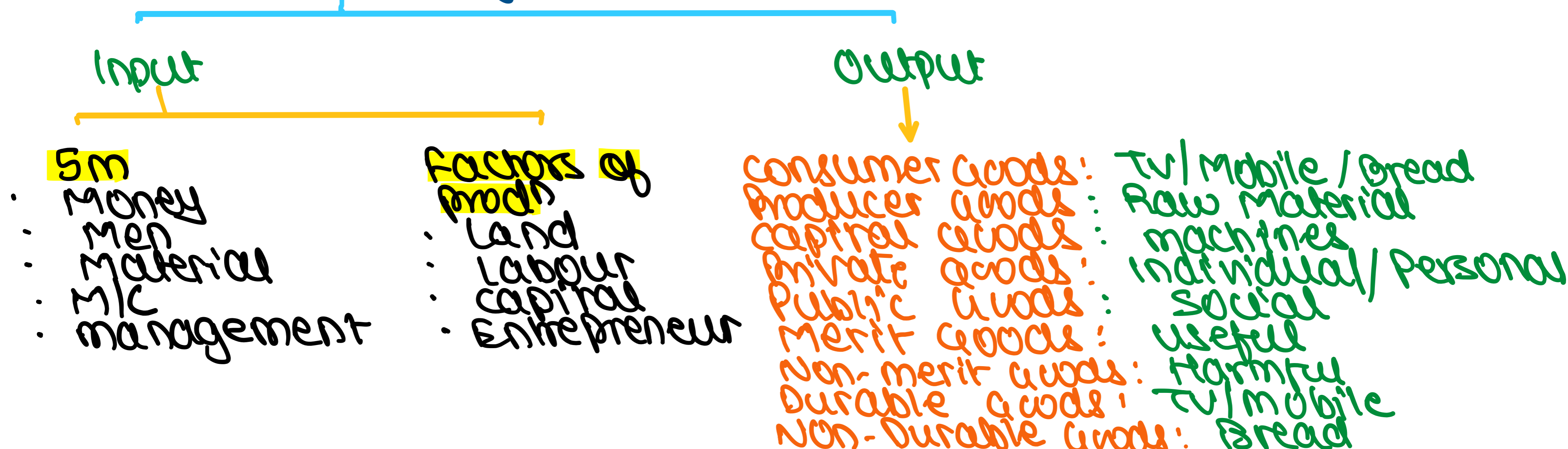


Chapter 1
Unit 1

What is Business?

Economic Activity



What is Economics?

Introduction:

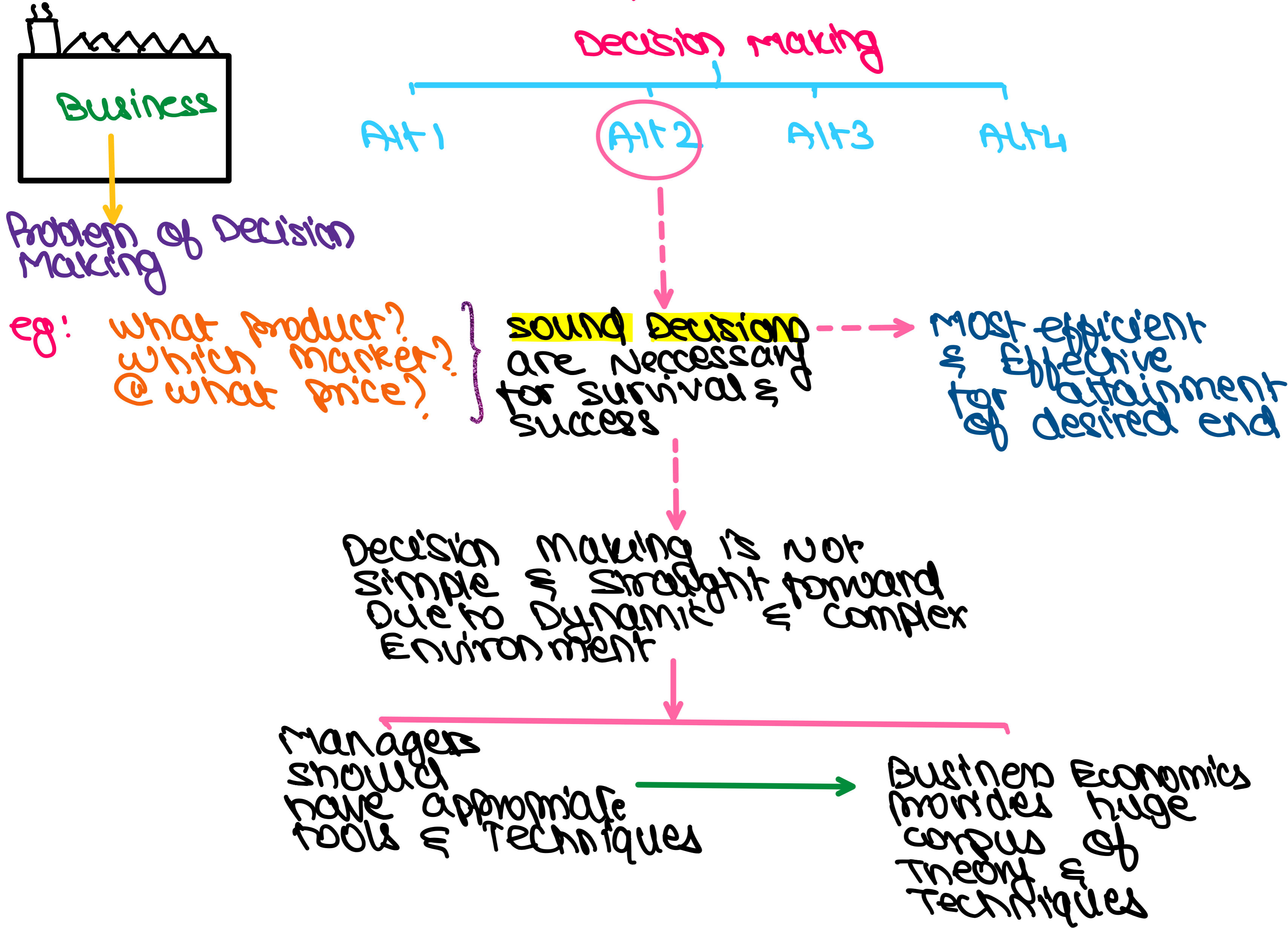
Language : Greek
 word : Oikonomia
 meaning : Household
 19th century : Political Economy
 Adam Smith : Father of modern Economics
 Book : wealth of Nations.

Fundamental facts

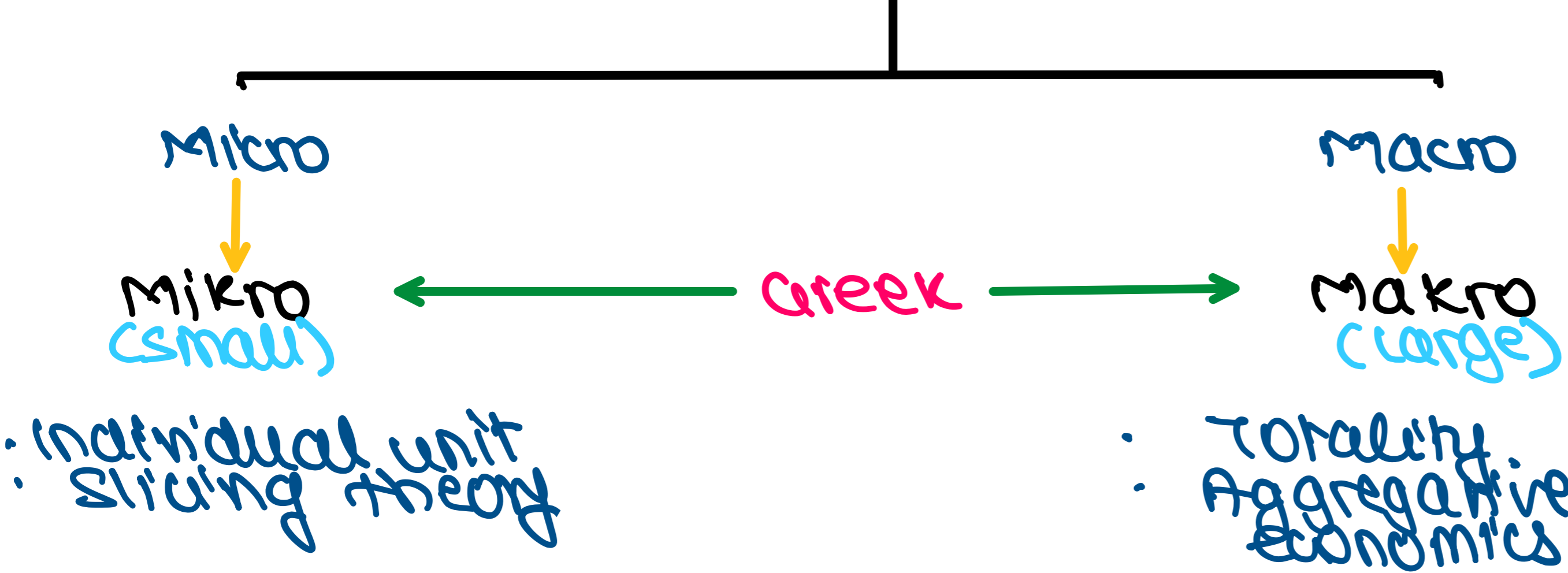
a) wants are unlimited } management
 b) Resources : limited }

we focus on satisfying most urgent wants

What is Business Economics?



Nature of Business Economics



Features / Nature

- a) It is science : systematic Body of knowledge, which studies cause & Effect Relationship
- b) It is an Art : Practice of knowledge
- c) Positive Economics : kya Hai? Statement of facts (Pure science) w/o any value judgement
- d) Normative Economics : kya Hona chahiye?
- e) Based on Micro : As managers are concerned with decisions of Business
- f) Incorporated Elements of macro : In order to take these decisions Business managers must be aware about macro economic variables
- g) Pragmatic in Nature : As opposed to micro Economics which is theoretical in nature, Business economics is pragmatic i.e. Based on practical & Real world.
- h) Interdisciplinary in Nature
- i) Theory of market & private enterprises