

# Microeconomics

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# Subject of economics

**Ways to solve the problem of choosing  
between competing goals for using  
limited resources**

# Microeconomics and Macroeconomics

- \* Microeconomics studies the behavior of individual economic agents: individuals, households, enterprises, owners of primary production resources*
- \* Macroeconomics explores the functioning of the economic system as a whole and its large sectors*

# The subject of microeconomics

- \* behavior (economic decisions) of economic agents due to limited resources:
  - \* of consumers
  - \* firms
  - \* households
  - \* government organizations
- \* the functioning of individual markets, manifested in the formation of prices, demand and supply

# Microeconomics methodology

- \* the study of objects of knowledge is not directly, but through the analysis of some auxiliary objects, which are called models

# Models

*modulus* – мера, образец

- \* **object other than the original being studied**
- \* **simplified description of the original object of study**
- \* **description that reproduces the properties of the original that are significant in terms of the objectives of the study**

# Economic models

- \* **substantialness and realism of the accepted premises and assumptions**
- \* **predictive ability**
- \* **possibility of information support and verification**