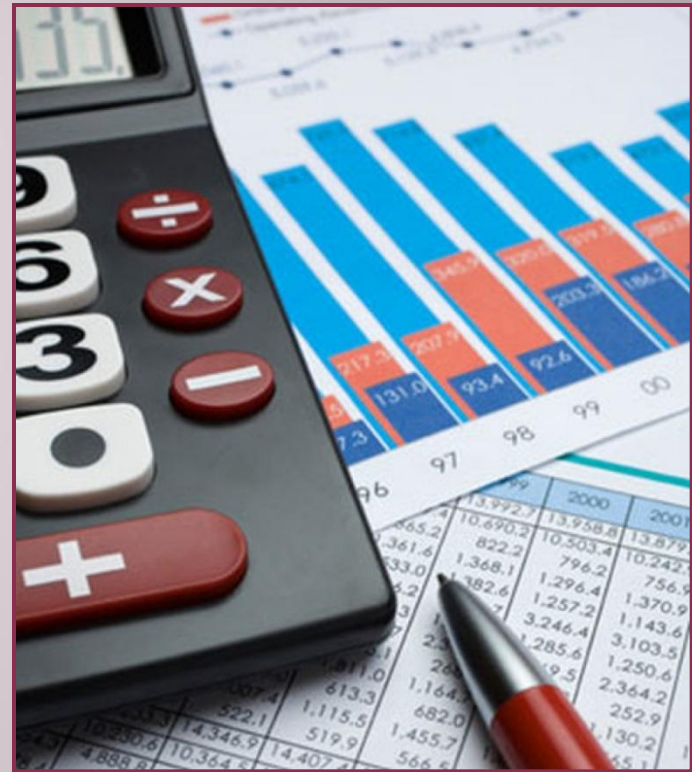


ECONOMICS

What is it?



The word **economics** or economy consists of two Greek words **household** and **law**.



So, economics is the science of household management

***Various idea about
economics***

```
graph TD; A([Various idea about economics]) --> B([money]); A --> C([work]); A --> D([business]); A --> E([inflation]); B --> F([Governments decision]); C --> G([Every days decision]); D --> H([Business manager decision]); E --> I([Business manager decision]);
```

money

work

business

inflation

Governments
decision

Every days decision

Business manager
decision



For the history of economics.

- For the first time Aristotle spoke about this science.
- Greek Xenophon wrote the book “Economics”, where he argued economics rules.
- “Domostroi” was the same book in Russia.
- The first man, who receive the Nobel Memorial Prize in Economic Science, was Jan Tinbergen.

Resources

MATERIAL:

Housing

Heating

Tools



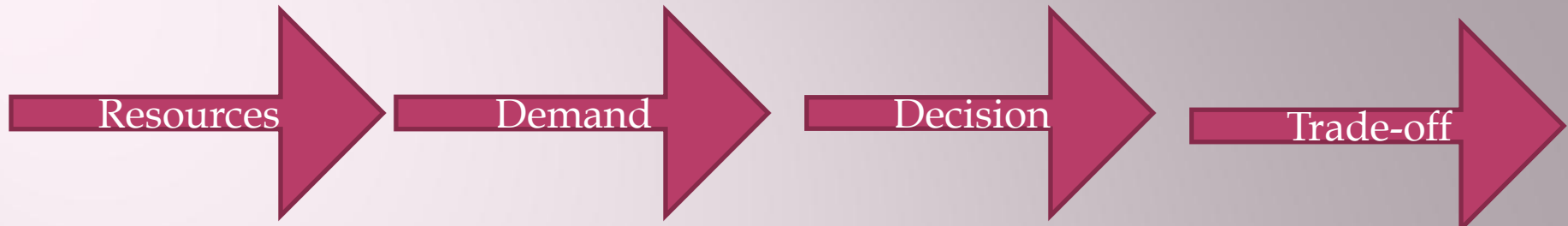
NON-MATERIAL:

Time

Space

Convenience

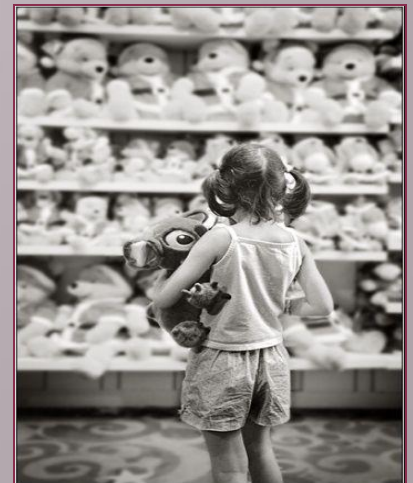




Resources are limited, but our demand for them certainly is not.

Our every day life is full of different decisions.

Every decision we make is a trade-off.



Areas of economics

Microeconomics-sc

ience about
business and
people

Study:

- Families household budgets
- Small or large companies



Macroeconomics-s

cience about all
economics

Study:

- Economics of a country
- Economics of the whole world



Microeconomics and Macroeconomics are closely related.

Types of economics

```
graph TD; A[Types of economics] --> B[CLASSICAL]; A --> C[NEOCLASSICAL]; B --> D[Value of the goods]; D --> E[Cost of the production]; C --> F[Economy work]; F --> G[Supply]; F --> H[Demand]
```

CLASSICAL

Value of the goods

Cost of the production

NEOCLASSICAL

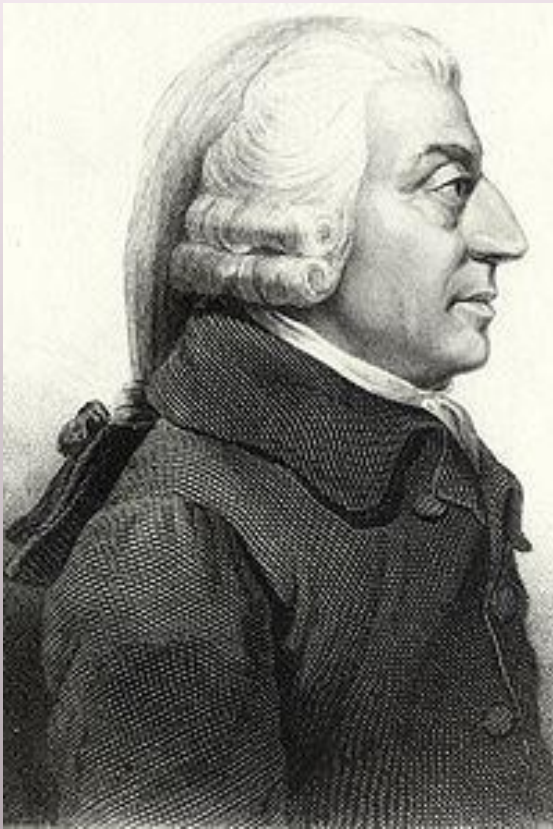
Economy work

Supply

Demand

THE FATHER OF MODERN ECONOMICS

Adam Smith



He was born on the 5 of June in 1723. But it isn't an exact date.

His father, also named Adam Smith, was married Margaret Douglas in 1720 and died six months after Smith's birth. Smith was really close to his mother.

During all life Smith developed his passion for liberty, reason, and free speech. He studied at the University of Glasgow, Oxford. Smith considered the teaching at Glasgow beter that at Oxford, which he found intellectually stifling.

The famous Smith's book is *The Wealth of Nations*.

He died on the 17 of July in 1790, in Edinburgh, Scotland.

What's it good for?

Nowadays economists try to answer to this question.

Positive economists

Try

- ▣ to explain the behaviour of the economy
- ▣ to guess economic changes before they
- ▣ happen

Say

- ▣ - "This is how it is..."

Normative economists

Try

- ▣ to improve the economy

Say

- ▣ - "We should..."



Economists

```
graph TD; A([Economists]) --> B([Collect data]); A --> C([Create economic model]); A --> D([Formulate theories]); B --> C; C --> D;
```

Collect data

Include facts and figures about almost anything, from birth rates to coffee production

Create economic model

Show relationships between these different data

Formulate theories

From this information, economists make theories which explain why the economy works the way it does

Economics in our life.

Advertising



Economics in our life.

Money



Economics in our life.

Shops



Economics in our life.

Banks



**THANKS FOR YOUR
ATTENTION**

Nesterova Anna