

Introducing Economics

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Hello Candidates, my name is Akmen omotoyosi, am an economist and 'll be your economics tutor, so please dearly welcome me. You can read more about me on [this page](#).

First of all let introduce economics, like what do [economists](#) study, why we study economics and basically every aspect of introducing economics.

It was actually known that, we all live with economics everyday but yet some people still don't know what economics mean.

The fact is that economics has effect or affects our daily lives because even if individually tends not to perform in economics, which is not possible, we are still aware of both international and local economic issues, whether there is a change in exchange rate, goods price, interest rate, globalisation, unemployment or economic recessions.

Apart from the economic awareness, we also continually faced economic problems and decisions of our own. For example, in a situation where you need to decide between two things, like, should you go to university or seek for job, or if you go to university should you work as part time. For example I myself, go to university and also work as a tutor. That is what economics mean in plain text, now let talk in economics.

Introducing Economics

There are two major branches of economics, which are microeconomics and macroeconomics. Before we proceed let get the definition of economics and its aspects.

Many people think economics is all about money or funding, of course economics has a lot to do with money with how much money people make and how much people spend, how much it cost to purchase an item, how much money firms generate and to how much money there is in total in the economy. So apparently, economics is not only about capital but the study of capital, Which leads to, two aspects of economics, *production* and *consumption*

Aspects Of Economics

a} **Production** : is the transformation of inputs into outputs by firms in order meet some objectives or to earn profit or revenue.

production of goods and services is the manufacture of how much goods produced in the economy, both in total and individual goods to how much each individual or firm produce to what techniques of production are used and to how many people employed.

Factors Of Production

: The inputs spend on production of goods and services are Labour, land and raw materials and capital.

1) **Labour** : as a factor of production represents all forms of human input in both physical and mental inputs inputted into production at hand.

2) **Land And Raw Materials** : as a factor of production represents all inputs provided by nature for example, mineral deposits in the soil, water and other inputs.

3) **Capital** : as another factor of production are all inputs that are produced by men such as factories, machine, tools and money.

b) **Consumption** : is the act of using goods and services to satisfy wants which involve purchasing the goods and services

consumption of goods and services is how much the population as a whole spends and how much it saves, what pattern of consumption established in the economy to how much people buy a particular items, to what particular individuals choose to buy and how people's consumption is affected by some factors such as prices, fashion, advertising, exchange rate, and other factors.

To everything, there is always a problem same thing as in economic. The main and central economic problem is *the problem of scarcity*.

Scarcity

Scarcity : is the excess of human wants over what can actually be produced. And because of Scarcity, various choices have to be made between alternatives.

What Causes Scarcity

Scarcity are majorly caused by high rate of human wants. human wants are virtually unlimited, whereas the resources available to satisfy these want are limited.

Now let make it interactive,

You might be thinking that, what if it is the firm that is producing limited goods, NO, don't think like that. It like this, we all want money right, why isn't the [government](#) printing a lot more, won't that solve the problem of scarcity?

Yes I myself also reason with you.

But of course, we are not all facing the problem of scarcity to the same degree or in some term.

For example, a poor person unable to afford enough to eat or a decent place to live will hardly see it as a problem compare to a rich person that cannot afford a second Range Rover.

The reason is because, the poor person won't be seeing it as scarcity because he doesn't have it before compared to a rich person that has already taste the feeling.

You'll see a poor person using old nokia phone and at the same time a rich person trying to get his third

iphone.

This is one of the things that we economists study, yea, "WE" [and you can also become one](#) from how resources are distributed, whether between different individuals, regions of a country or different countries of the world.

Humanly, both rich and poor, wants more than they can have and thus make them react differently to scarcity situations in some certain ways. For example, how a person looking for his third iphone reacts to scarcity we be quite different from how someone trying to upgrade from his old nokia phone.

This is also part of the things that [economists](#) or economics study. Economics study the behaviour of people as consumers, as labour, producing the goods and services that people wants, buying the goods that they themselves wants. Economics also study [government](#) influencing the level and pattern of production and consumption. So basically in short, economics study any processes related to satisfying human wants.

The Problem Of Economy Scarcity

Let me explain it like this; you see, human being are never satisfied, for example if you ask people if they would want more money. Majority including me, will say yes even add of course to it. Including the wealthy ones also.

The point is that *human wants are virtually **unlimited*** but yet the means of satisfying humans wants are **limited**.

At any one time, the world can only produced limited amount of goods and services, and this is because the world only has a **limited amount of resources**.

These resources of production are classify into three types which are human resources, natural resources and manufactured resources.

Those are the three resources of production now let get the explanation on each resources, remember that we are still introducing economics.

Resources Of Production

a) **Human resources** : *labour*, the labour [force](#) in production of goods and services is limited in number and also in skills. Which means human resources limits the productivity of labour.

b) **Natural resources** : *land and raw materials*, the world's land are limited, as are its raw materials.

c) **Manufactured resources** : *capital*, capital consists of all those inputs that each had to be produced in the first place, and this world has a limited stock of capital, a limited supply of machines, factories, transportation, tools, etc.

Meaning that, the productivity of capital is limited by the state of technology.

Let stop here on introducing economics and myself for today, ones again my name is Akmen omotoyosi, am [an economist](#) and also an undergraduate. Our next topic on economics will be on Demand And

Supply, I believed you have all heard of it, and if you haven't, don't worry just wait till next class on economics where we continue on introducing economics to ourselves. Will you like to become an economist like me, if yes then click [here to start learning](#)

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