



**Pakistan School**  
Kingdom of Bahrain

**A warm welcome to all the  
students to our virtual  
class.**

# ❖ Rules for class:

- 1) Be on time for all your classes.
- 2) Respect all the participants of the class.
- 3) Do not create any disturbance,
- 4) Pay attention to your teacher.
- 5) Raise hand if you have a question.
- 6) Entre into the class with your actual name.
- 7) Ask only questions relevant to the topic.



# Chapter One

Nature and scope of economics.

# Lesson Objectives:

- By the end of this of lesson, students will be able to:
  1. Understand different concepts used in economics.

# Opportunity Cost

- The opportunity cost of something is what you sacrifice to get it.
- The real cost of choosing one thing and not another is called opportunity cost.
- It is the benefit a person could have derived from the next best alternative he has given up.

# Theoretical Vs Applied Economics

- Theoretical Economics: When facts are collected and analyzed not to solve a particular existing problem but to study basic principles working in the economy, it is called theoretical economics.
- Applied Economics: If we have a particular economic problem in mind and collect information to make a suitable economic policy for its solution, it is called applied economics.


# Economics As Science And Art

- Economics as science: Science means a systematic body of knowledge. According to this definition, economics is a science.
- Sciences are of two types;
  - I. Physical and natural sciences
  - II. Social Sciences

# Closure

- Key points:
- The opportunity cost of something is what you sacrifice to get it.
- The purpose of theoretical economics is to study the basic economic principles working in an economy.
- Applied economics is used to formulate economic policy.
- Science means a systematic body of knowledge. According to this definition, economics is a science.
- Physical sciences deal with non-living dead matter or some natural phenomenon and have the facility to controlled experiments.
- Social sciences study human behaviour in society which keeps on changing according to situations.





Thank you. See  
you in the next  
lesson.