



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) Enter 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. Solve exercise questions of chapter no.1 themselves.

Economic Man

- An economic man is any person who is interested in his personal gain. Self-interest is the supreme motive behind all of his activities.

Generalization

- A generalization is a statement which, although derived from few observations in a particular study, has been stated in general terms so that it can be applied to any other similar situation.

Economic Model

- An economic model is a simplified picture of real situation in which only the most important factors or variables are selected for study, ignoring the others.

Production possibility Frontier

- Production possibility frontier shows the possible combinations of goods and services which an economy is capable of producing if resources are fully employed.

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

Stages in study of Economics

- ① Economic studies have three levels;
 1. Describing the facts about an economic problem.
 2. Analyzing facts to discover underlying principles.
 3. Suggesting policies for solving the problem.

○ From these three distinct activities, three branches of economics emerge.

1. Descriptive Economics.
2. Economic analysis or economic theory.
3. Economic Policy.

Value of study of economics

- The study of economics has many educational and practical benefits which are given below.
- **Educational Benefits:**
 1. It gives good training for systematic and clear thinking.
 2. Economics provide useful information on matters related to daily life.
 3. Helps in the study of other subjects.

Practical Value:

1. Solution of economic problems.
2. Success in business.
3. Guidance for labourers and employers.
4. Money, banking, and finance.
5. Guides consumer.
6. Good governance.
7. Guidance for finance minister.
8. Economic planning.
9. Common citizens.
10. Employment opportunities.

Special importance for developing countries.

- Study of economics explains us the basic causes of our poverty and under development.

Plenary

● Question answer session.

Thank you.
Have a very good
summer vacations.
Hope to see You in
the next term.