

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

We are going to start our first online economics class today. I hope we all will enjoy and learn.

❖ 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

Definitions of Economics

Lesson Objectives:

- By the end of this part of lesson, students will be able to:
 1. Understand the subject matter of economics.
 2. Appraise the reason of studying economics.

- Why subject matter is necessary to understand?



- Because it tells us what we are going to study in that subject.

What is the subject matter of economics?

- ⦿ The subject matter of economics is concerned with wants, efforts and satisfaction.

- Why we always starts with definition?



- The reason is that definition narrows down the scope of a subject and clearly defines us about the nature and content of a subject.

Meaning of the word ‘Economics’

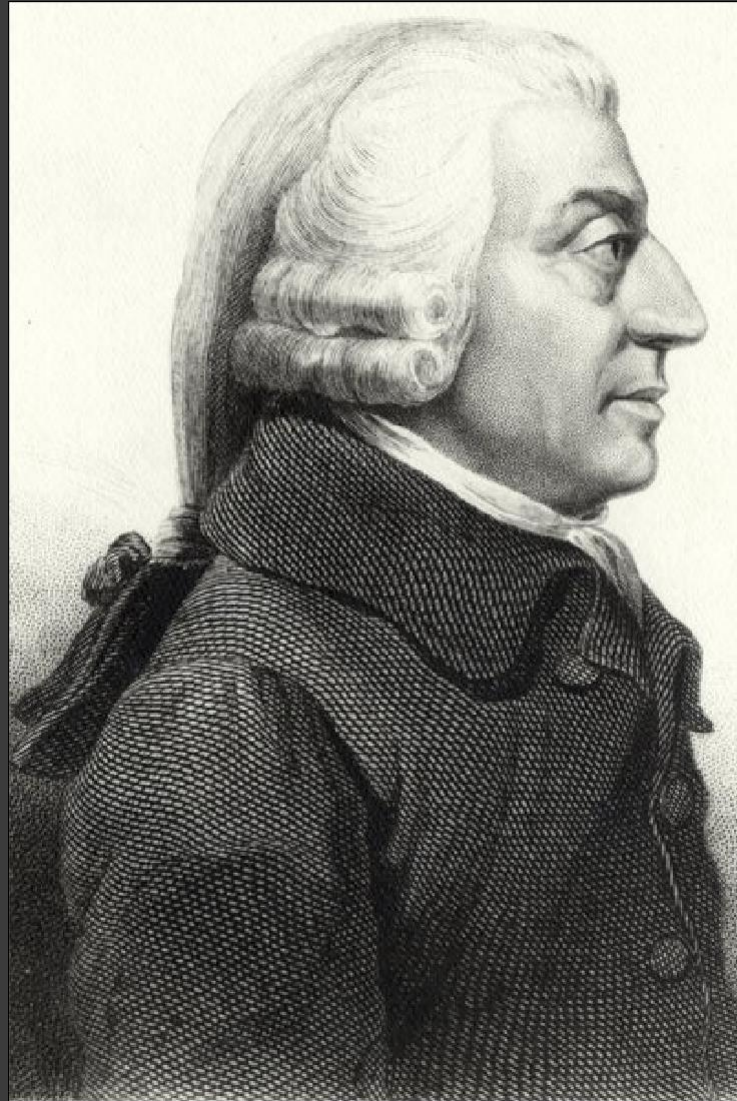
- The word ‘Economics’ originates from a Greek word ‘**Oikonomos**’
- This Greek word has two parts:
 - ‘**Oikos**’ meaning ‘Home’
 - ‘**Nomos**’ meaning ‘Management’

Hence, Economics means ‘Home Management’

Wealth Definition (1776)

- Adam Smith, who is regarded as Father of Economics, published a book titled '*An Inquiry into the Nature and Causes of the Wealth of Nations*' in 1776.
- He defined economics as “**a science which inquires into the nature and cause of wealth of nations**”.
- He emphasized the production and growth of wealth as the subject matter of economics.

ADAM SMITH



Wealth of Nations (1776)

Early Definitions of Economics

- ⦿ The classical school of thought;
- ⦿ The classical school of thought i.e. Adam Smith, N.W Senior, Hills, Malthus and Ricardo have defined economics as,
- ⦿ “Economics is the science of wealth”

● CRITISM:

- Actually speaking the definition given by Adam Smith had been boldly criticized on the following grounds:
- 1. One Sided Definition
- It was the one sided definition because of only wealth had been taken in to consideration while “humans” were neglected who are equally important in the discussion of economics.
- 2. Emphasis on Wealth
- According to this definition, too much concentration was given on wealth that destined man selfish and illustrious. Therefore the social reformers raised voices against this definition.

- ③ 3. End or Mean

- ③ Wealth was taken as end by itself and not a mean to an end. This concept is wrong because wealth is the source of satisfaction and not satisfaction by itself. It is a mean not an end while it is for man and man is not for wealth.

- ③ 4. Narrow Sense of Wealth

- ③ The term wealth was interpreted in a very narrow sense. Wealth meant something tangible, visible and concrete object, which is capable of satisfying human, needs thus all the intangible goods and services which provide to human being were completely ignored.

Let's sum up:

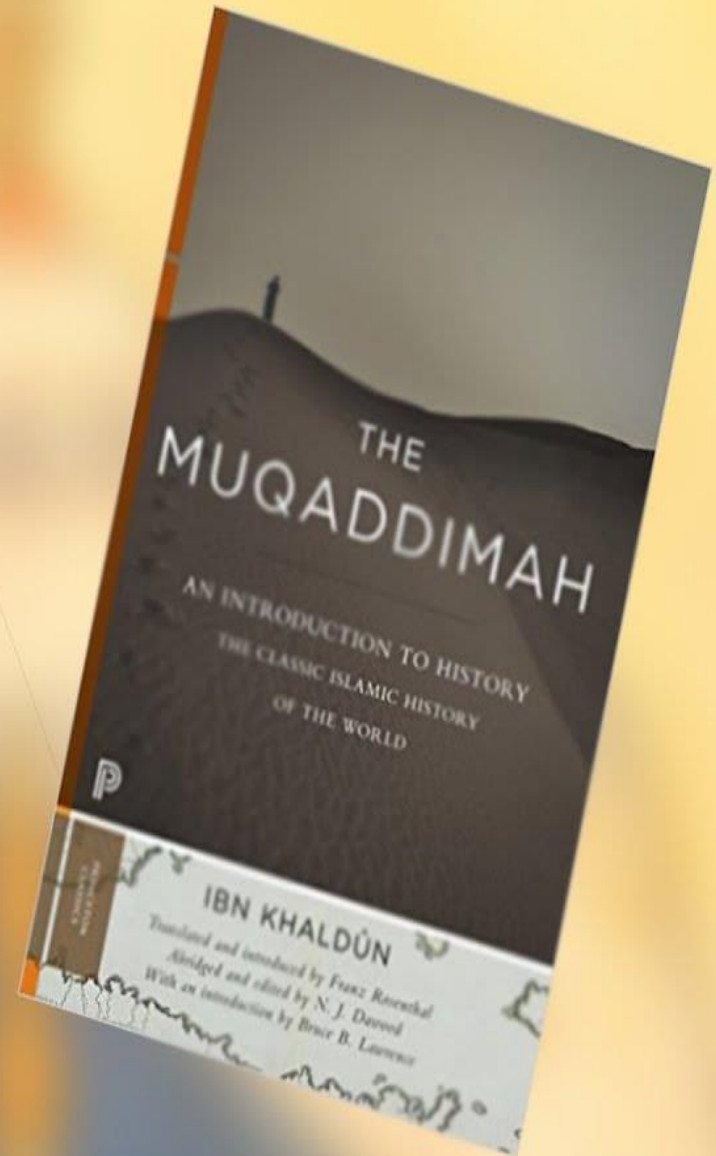
◎ Key points:

1. The subject matter of economics is concerned with wants, efforts and satisfaction.
2. The word 'Economics' originates from a Greek word '**Oikonomos**'
3. The classical school of thought describes economics as a science of wealth.

IBN-E-KHULDUN

- IBN-e-KHULDUN was an Arab scholar of Islam, social scientist and historian who has been described as the father of the modern disciplines of historiography, sociology, economics, and demography.

IBN KHALDUN



Homework

- Write a note on the life of IBN-E-KHULDUN as an economist. (write about his biography and his work on economics).

Thank you.
See you in the
next lesson.