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

- Rules for class:
- 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 lesson, students will be able to:
- 1. Understand the subject matter of economics.
- 2. Illustrate definitions of economics given by different economists.

• Why subject matter is necessary to understand?



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

• 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.

#### 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"

#### Marshal's Definition of Economics

- The new classical definition or Marshal's definition of economics says that:
- "A study of mankind in the ordinary business of life. It examines the part of individual and social action which is most closely connected with the attainment and use of material requisites of well being"

### Mr. Robbins definition, the Prof. of London School of Economics:

- Prof. Lionel Robbins gave his definition of economics in his book" Nature and significance of Economic Science" in the year 1932 .He defined economics as,
- "Economics is the science that studies human behavior as a relationship between ends and scarce means which have alternative uses."

- Robbins has made four facts of life the basis of his definition and they cannot be falsified. They are as follows:
- Human wants are unlimited.
- 2. Wants are not equally important.
- 3. Means are limited.
- 4. Means have alternative uses.

#### Plenary

Question & answer session

# Thank you. See you in the next lesson.