



University of Blida 2 Lounici Ali
Faculty of economics, business and management sciences

Common Trunk department

Business English

Unit 01 : Introduction to economics

First Year students

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2022/2023





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Some Economic terminologies

ECONOMY

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It's **an area** of the production, distribution trade and consumption of goods.

The economic conditions, status and activities of a geographical **area** or a country

ECONOMICS

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It is a **science** (branch of knowledge) that studies different economies and develop suitable models of their functioning.

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Theoretical



ECONOMY

VS

ECONOMICS



Practical



It helps the nations in solving the major **problems of the economy**

ECONOMIC

It is an adjective, it means anything which is related to economy



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Economical



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It is an adjective which means **not requiring too much** of something such as money, space, time, effort or anything else.

A rectangular chalkboard with a light-colored wooden frame is centered on a white background. The chalkboard is black and contains the text 'Definition of ECONOMICS' written in a white, italicized serif font.

Definition of ECONOMICS

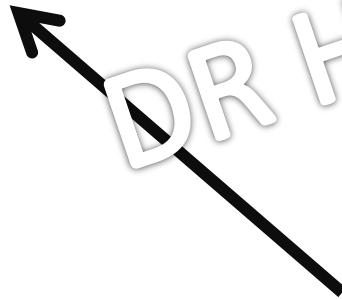
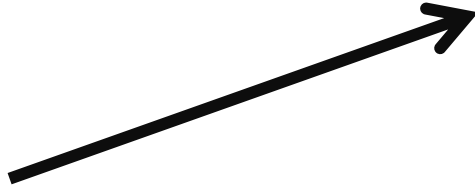
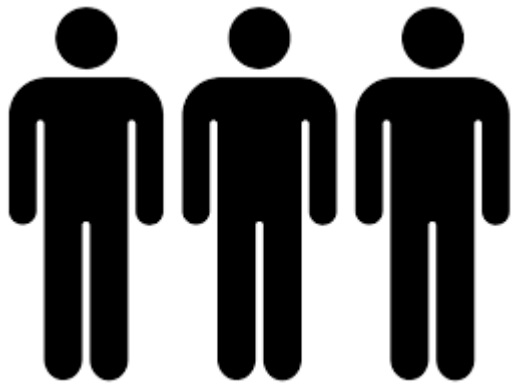
Economics

The word economics has been derived from the Greek Word
“OIKONOMICAS”

OIKOS = HOUSEHOLD

NOMOS = Management

The study of How an individual, society or a country uses **limited** or **scarce resources** available with it to satisfy **unlimited wants**.



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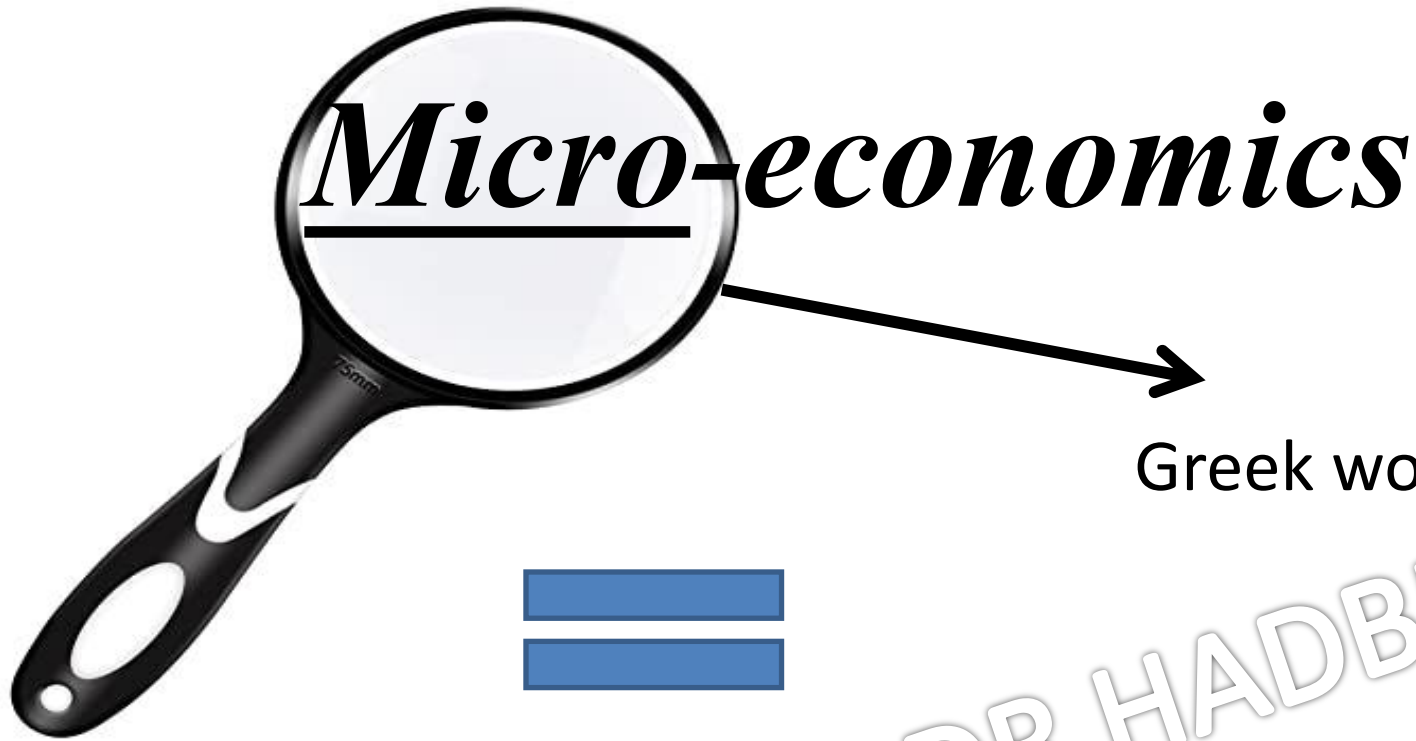
Branches of Economics

Economics

MICRO

MACRO

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Greek word **Mikros**



Small

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Individual scale



Micro-economics

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*the branch of economics that concentrates on the behavior and performance of the **individual** economic agents within the economy*

Micro-economics

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Micro-economics



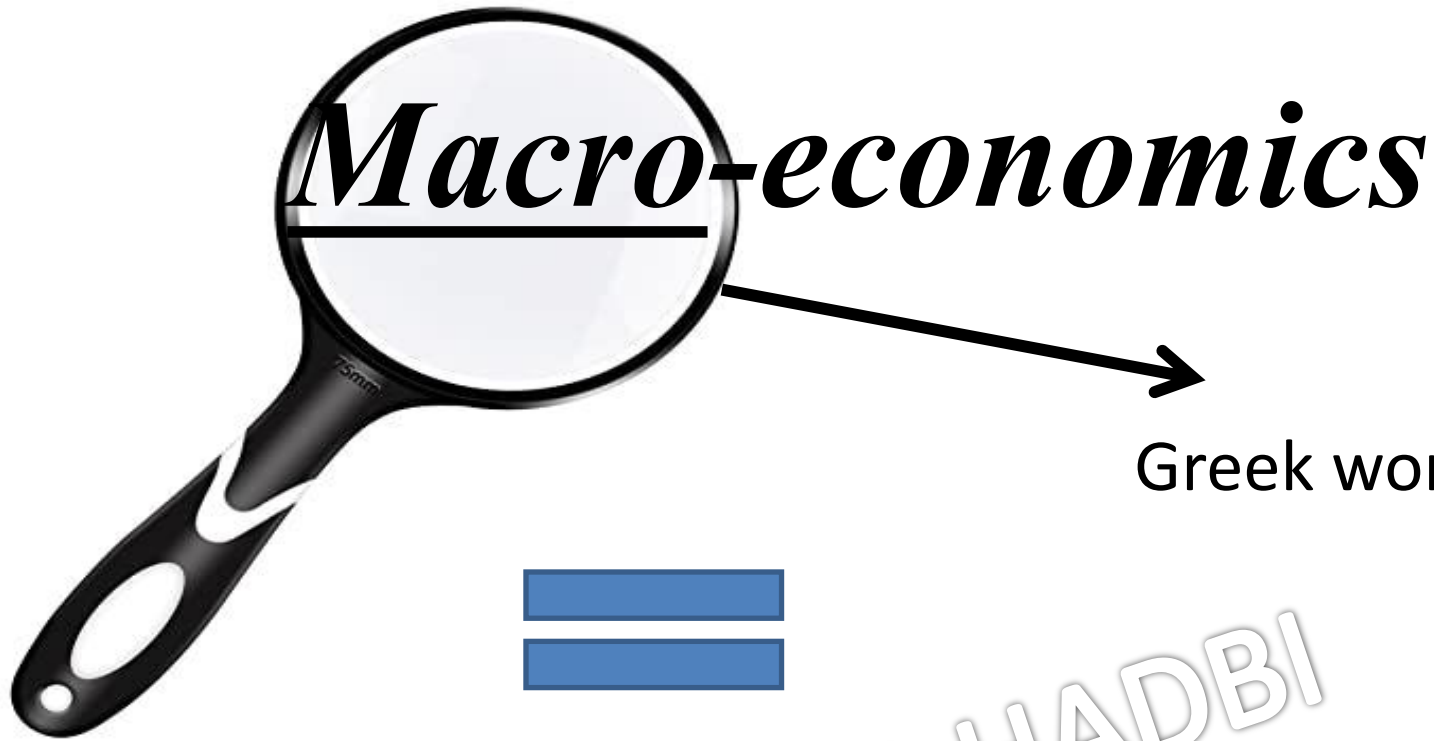
Micro-economics



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Greek word **Makros**



Big



Large scope

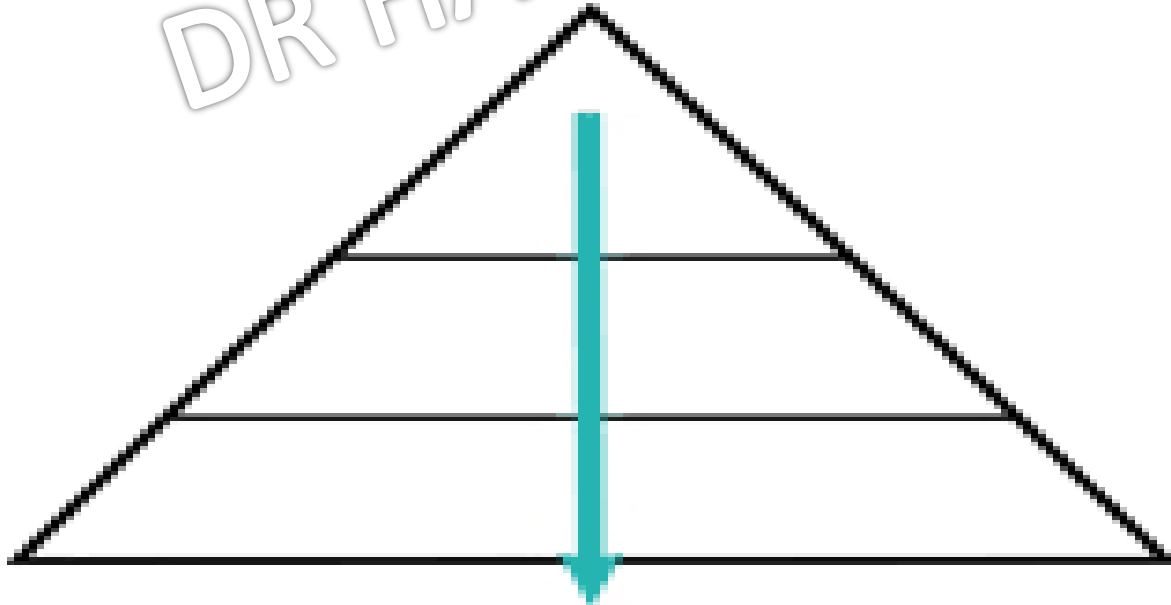
Macro-economics

*The branch of economics that studies the behavior of **the whole economy**, (both national and international) is known as Macroeconomics.*



Macro-economics

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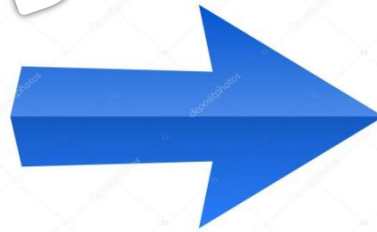


Top-down

Macro-economics



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Macro-economics

It is used by governments to explore broader economic trends

- Poverty
- Unemployment
- Inflation
- Economic growth

Economic
Growth



Micro-economics VS Micro-economics

❑ It studies the issues of the economy at an individual level

❑ Microeconomics covers issues like how the price of a particular commodity will affect its quantity demanded and quantity supplied and vice versa.

❑ It takes a bottom-up approach

❑ It studies the whole economy

❑ covers major issues of an economy like unemployment, inflation, poverty, monetary/ fiscal policies, international trade etc.

❑ It takes a top-down approach.

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Microeconomics

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Macroeconomics

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Business cycle

MACROECONOMICS

ALL firms



ALL consumers



Promote economic growth

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Prevent unemployment

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Limit **inflation**

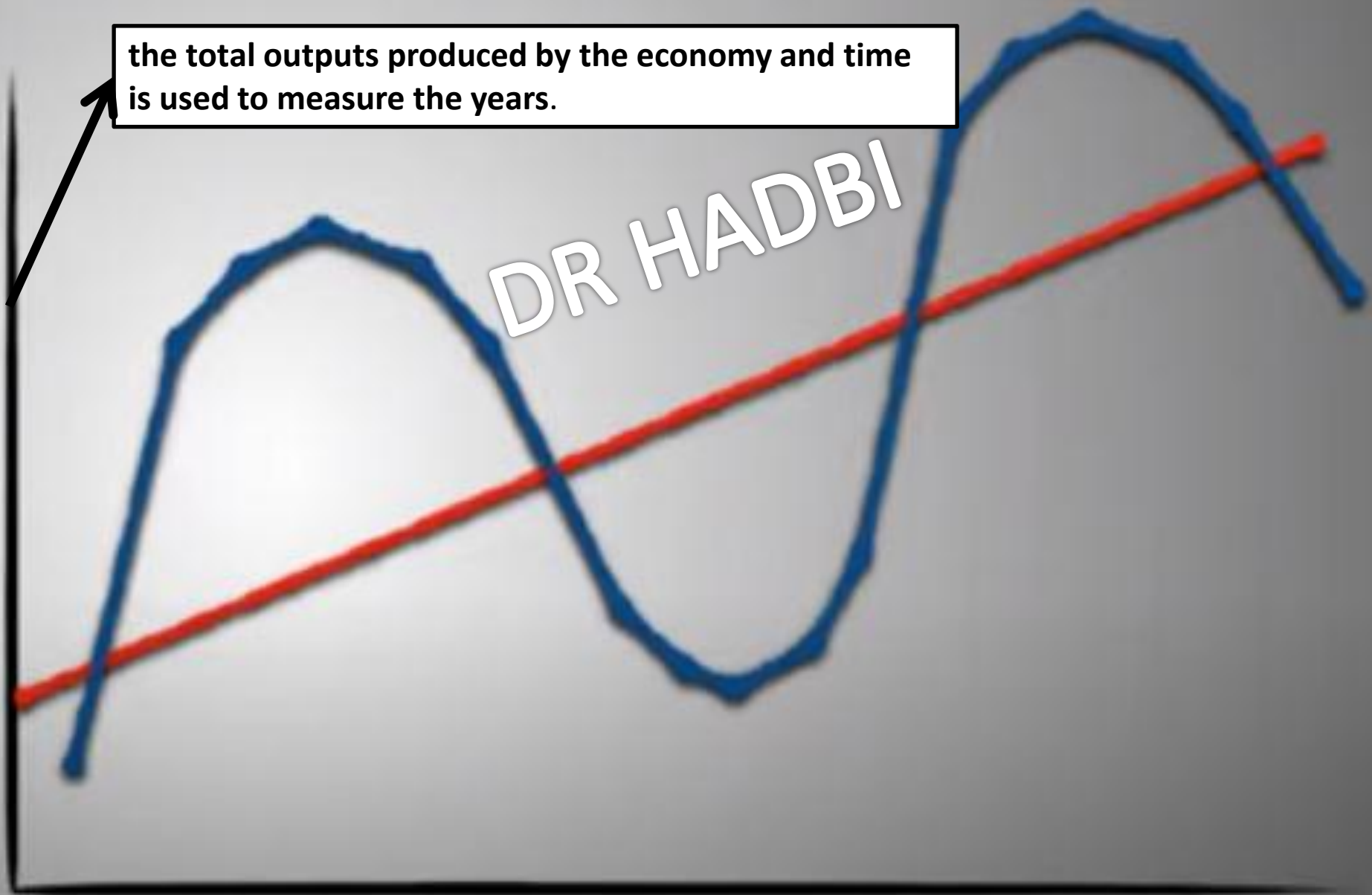
the total outputs produced by the economy and time is used to measure the years.

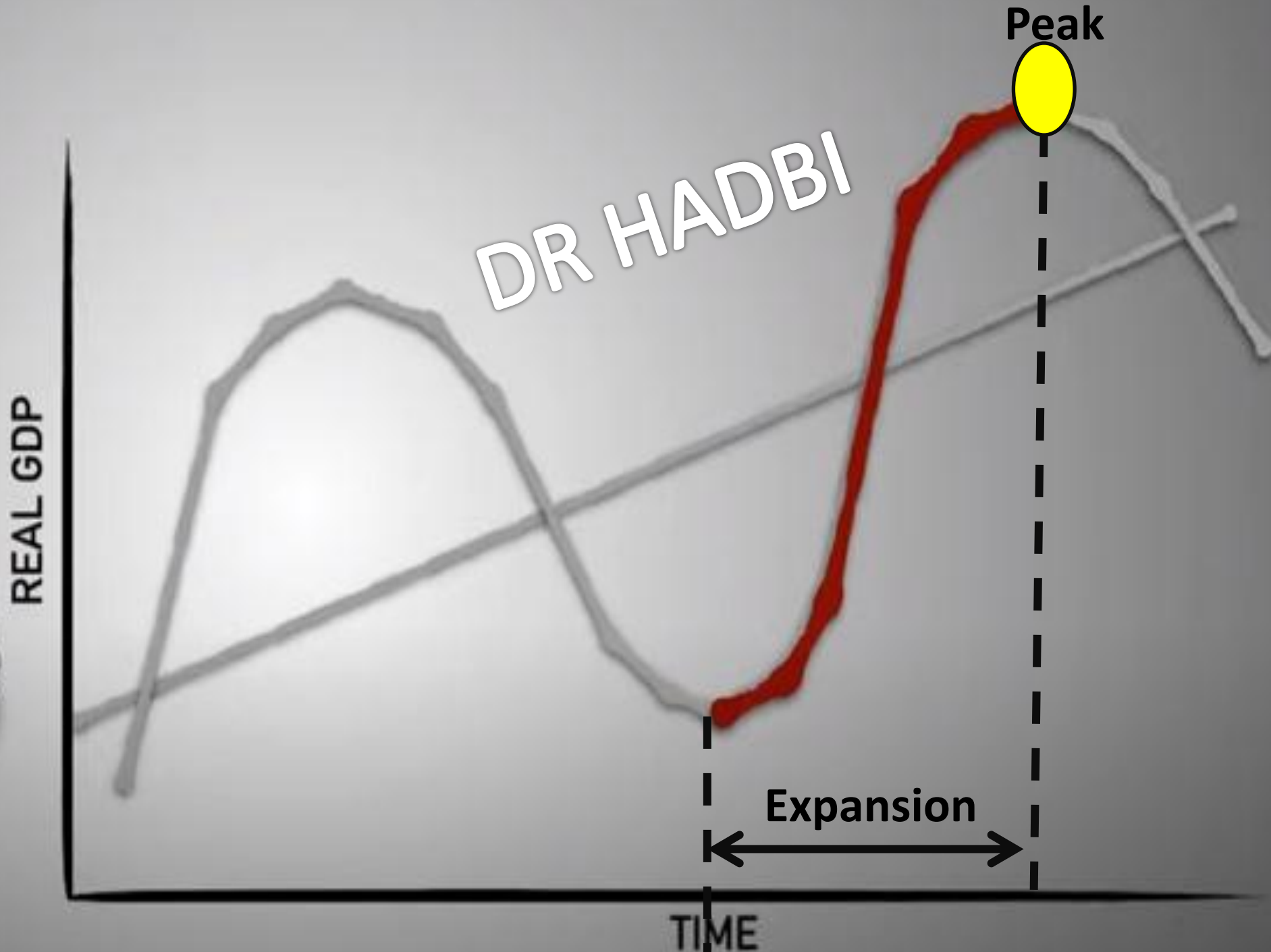
Real GDP

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Time

Business cycle





REAL GDP

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Peak

Expansion

TIME

REAL GDP

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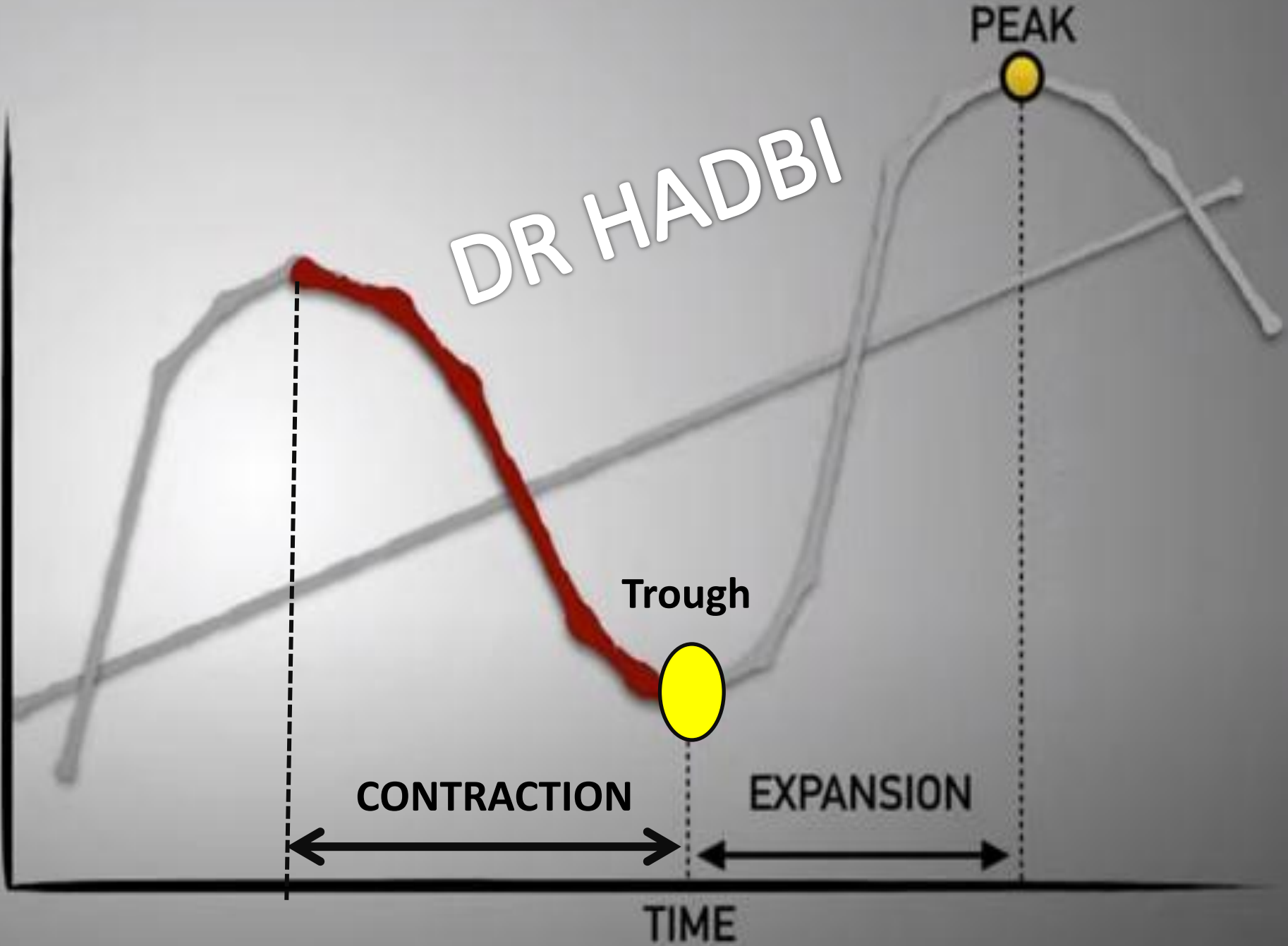
PEAK

Trough

CONTRACTION

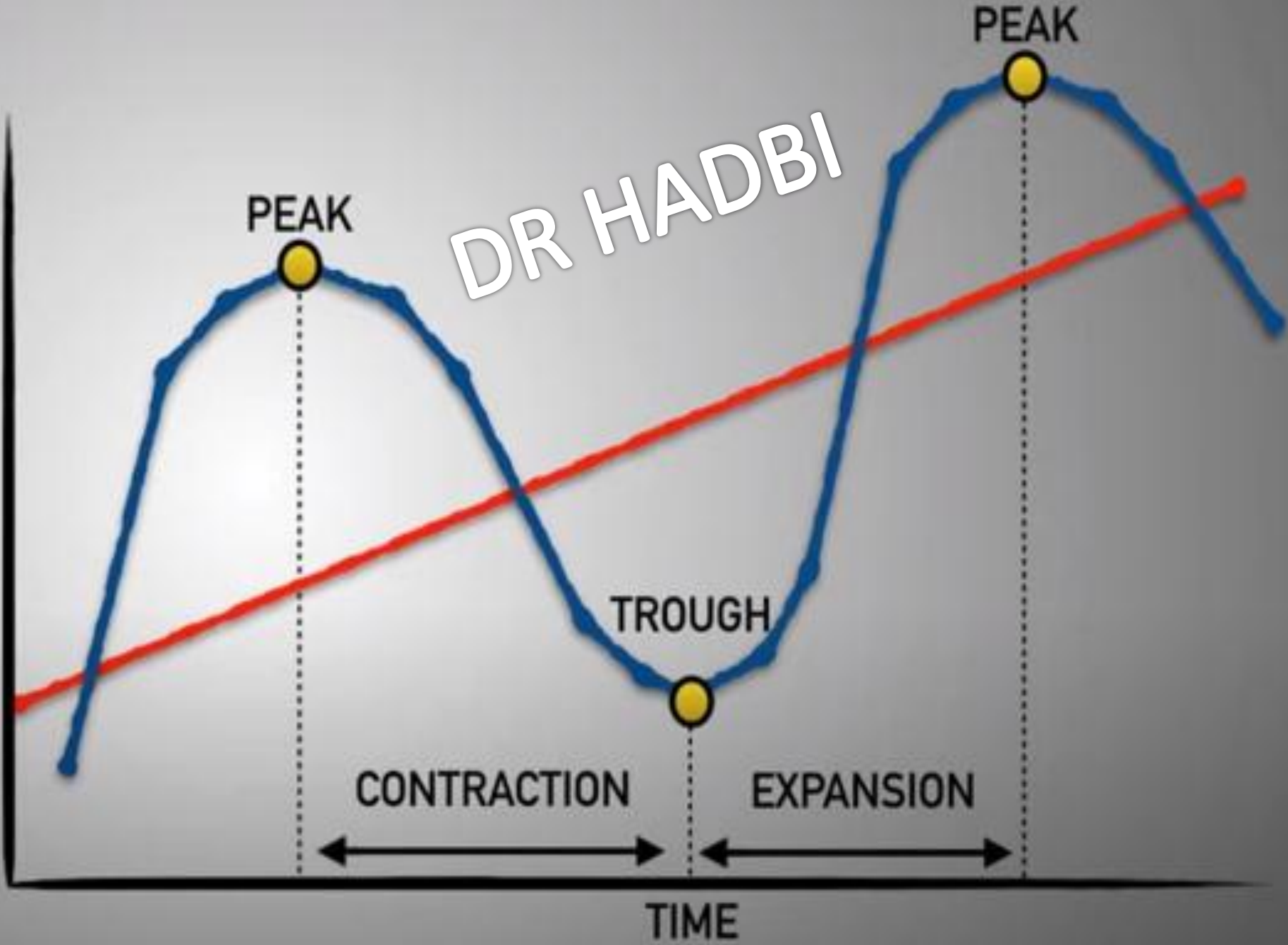
EXPANSION

TIME



REAL GDP

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What causes REAL GDP fluctuations ?

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STATIC EFFECTS



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Real GDP

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Time

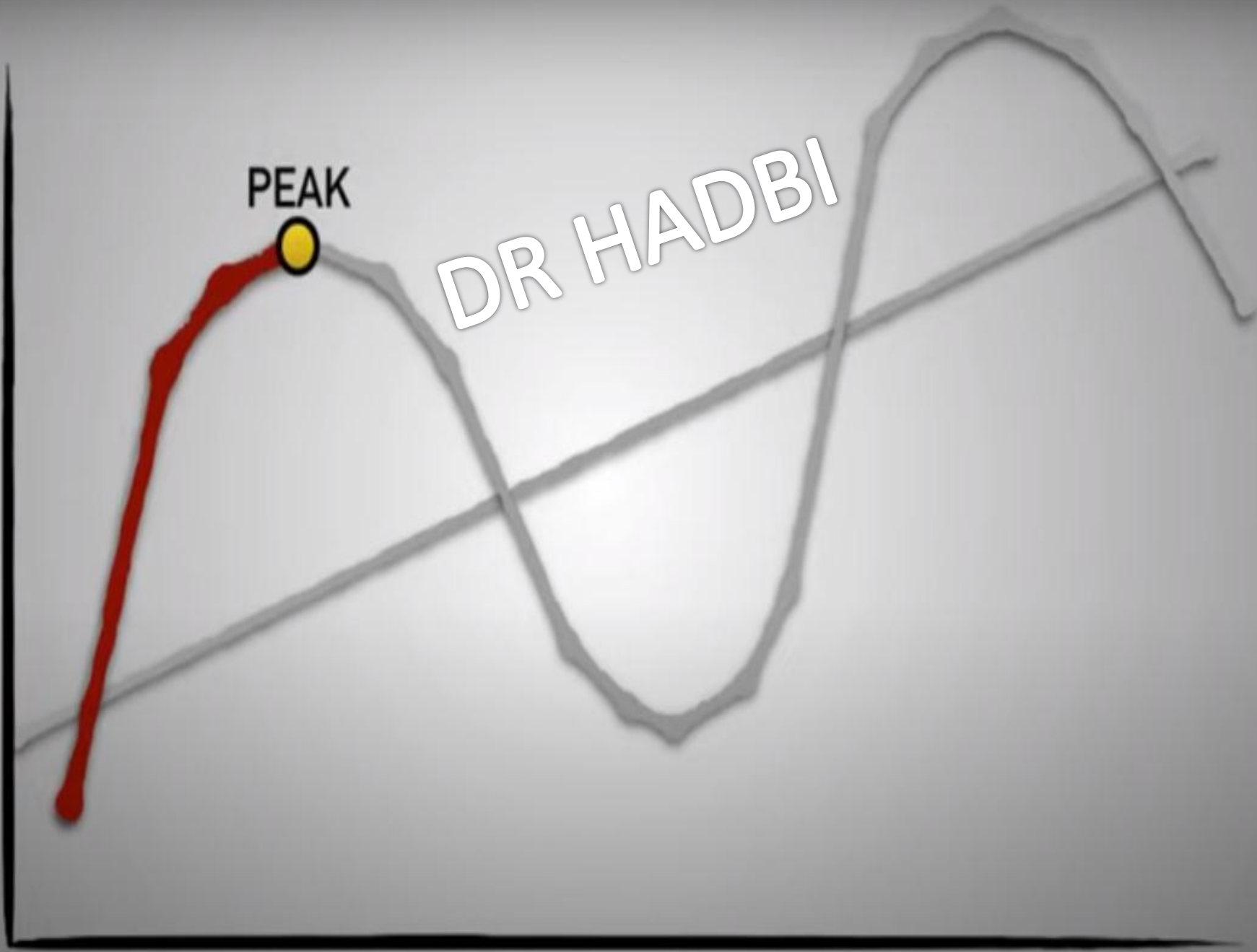


REAL GDP

PEAK

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Time



REAL GDP

PEAK

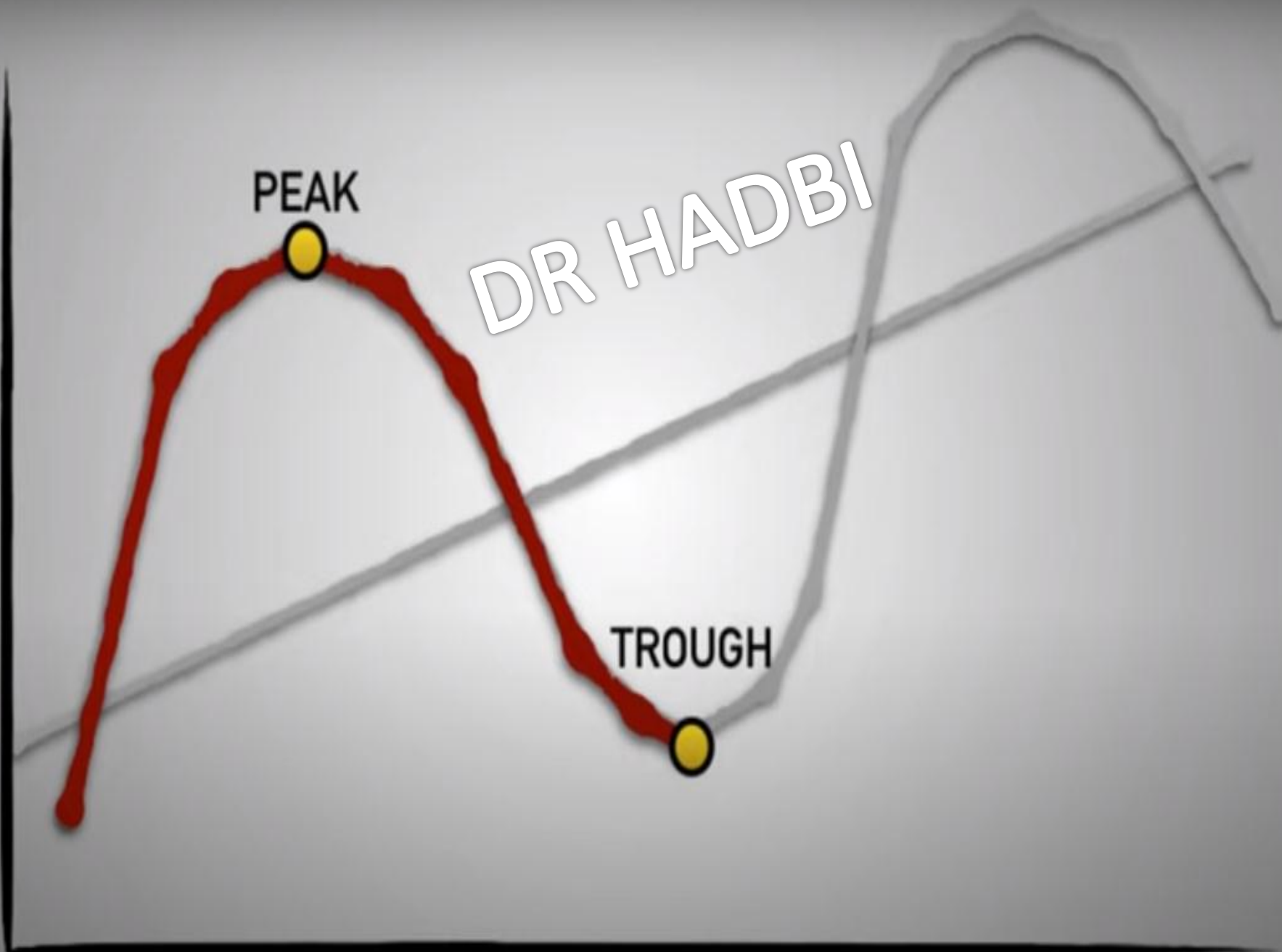


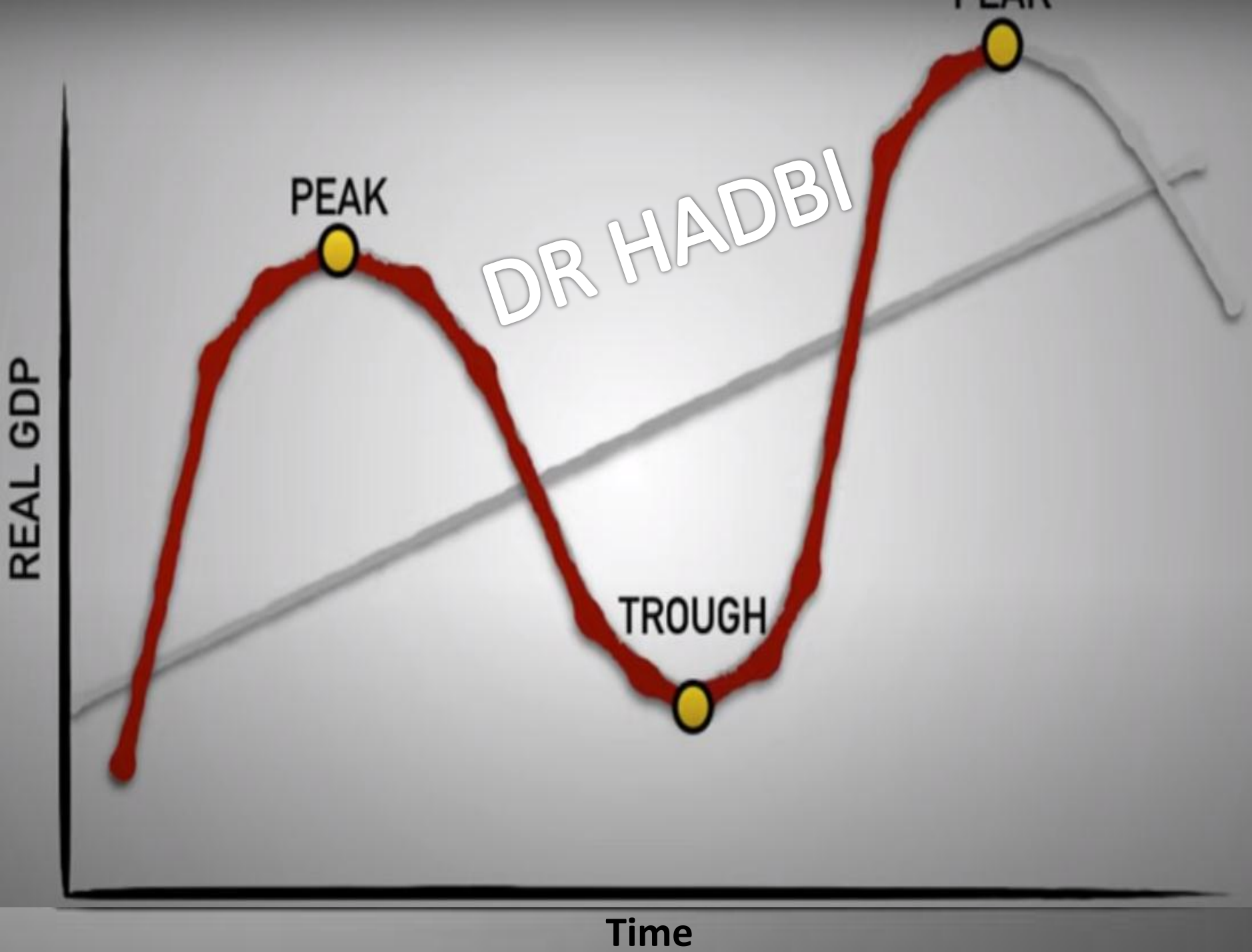
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TROUGH



Time





SHOCKS

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REAL GDP

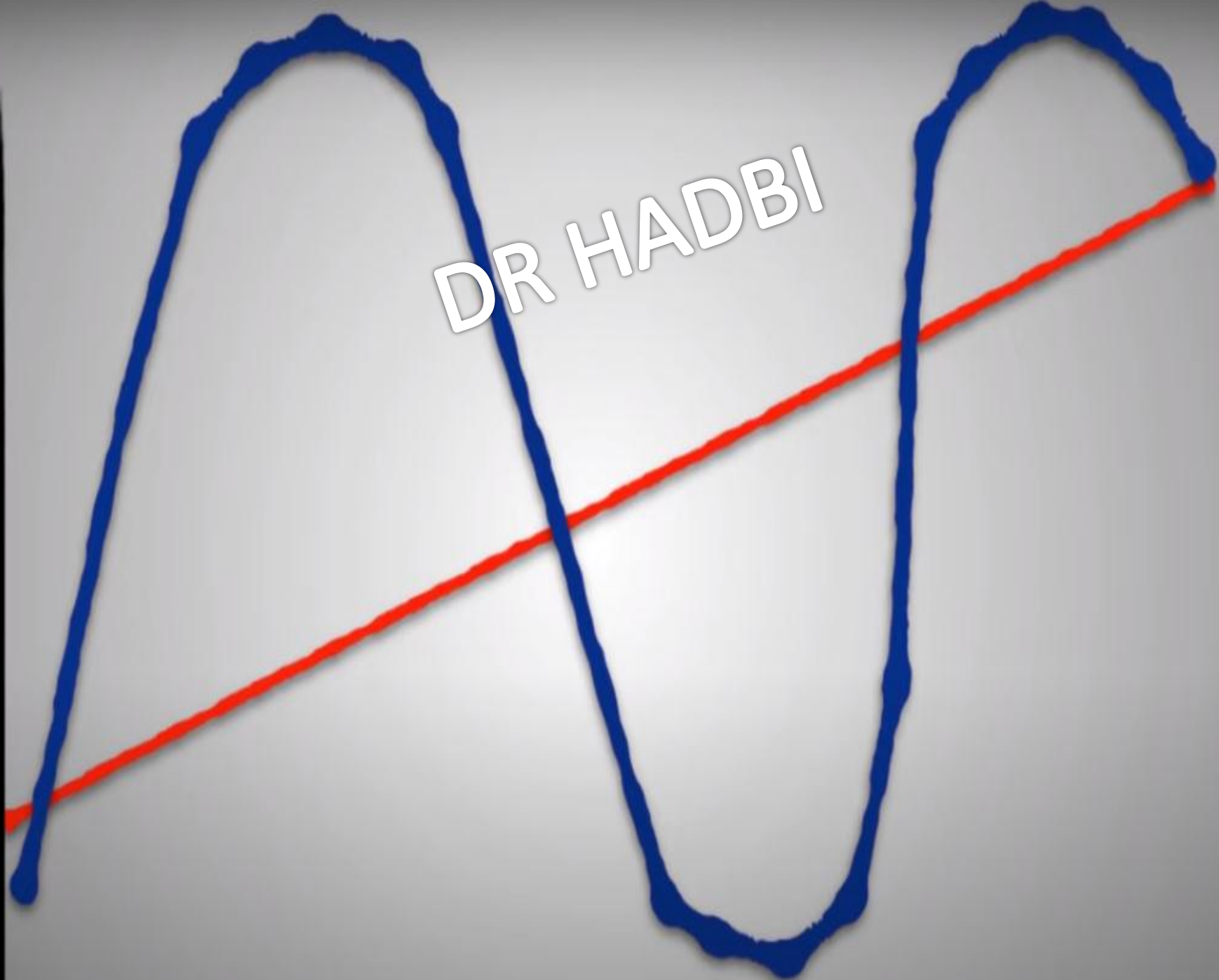
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TIME

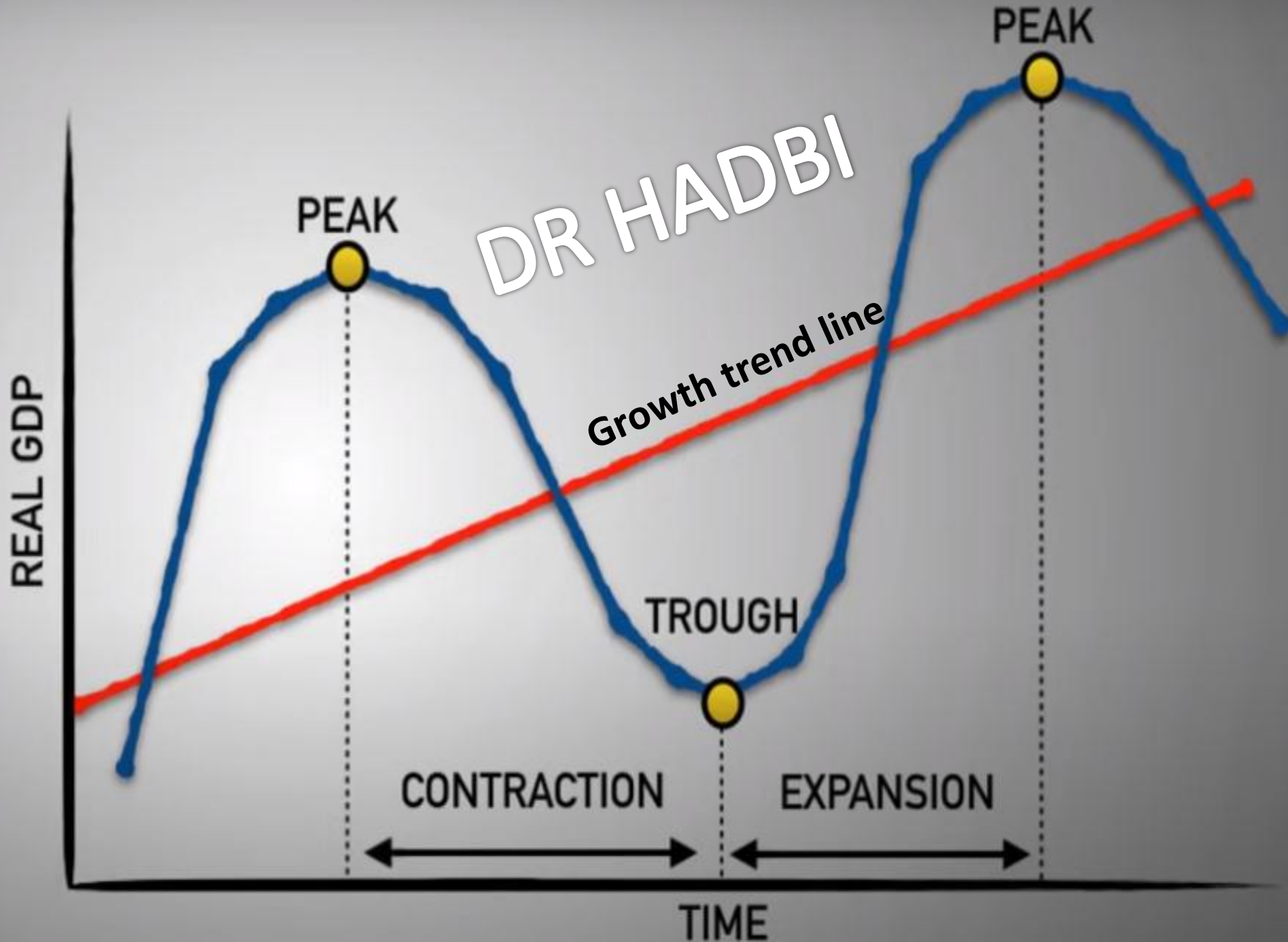
Faites glisser le
zone à capturer.



REAL GDP

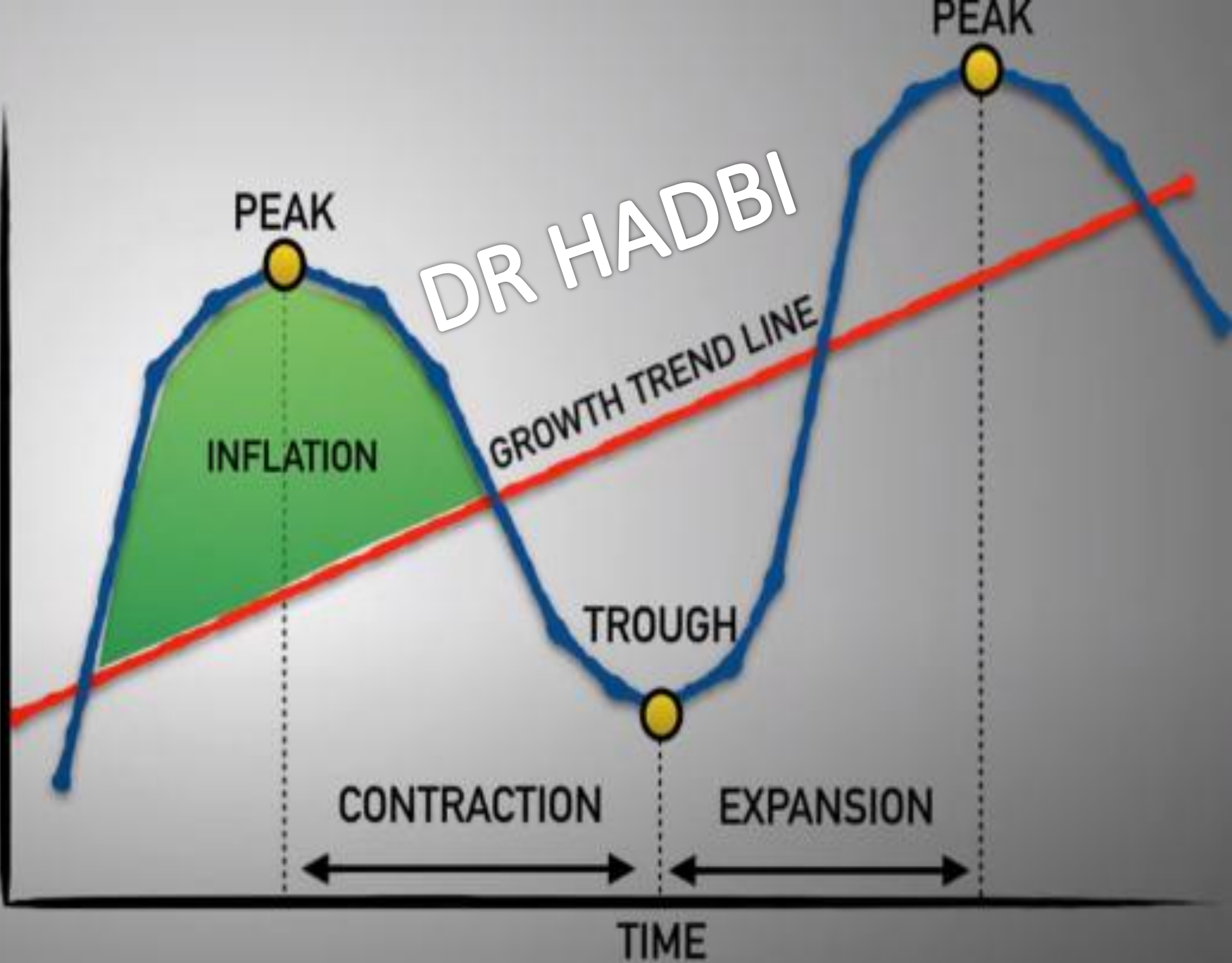


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REAL GDP



PEAK

INFLATION

GROWTH TREND LINE

TROUGH

PEAK

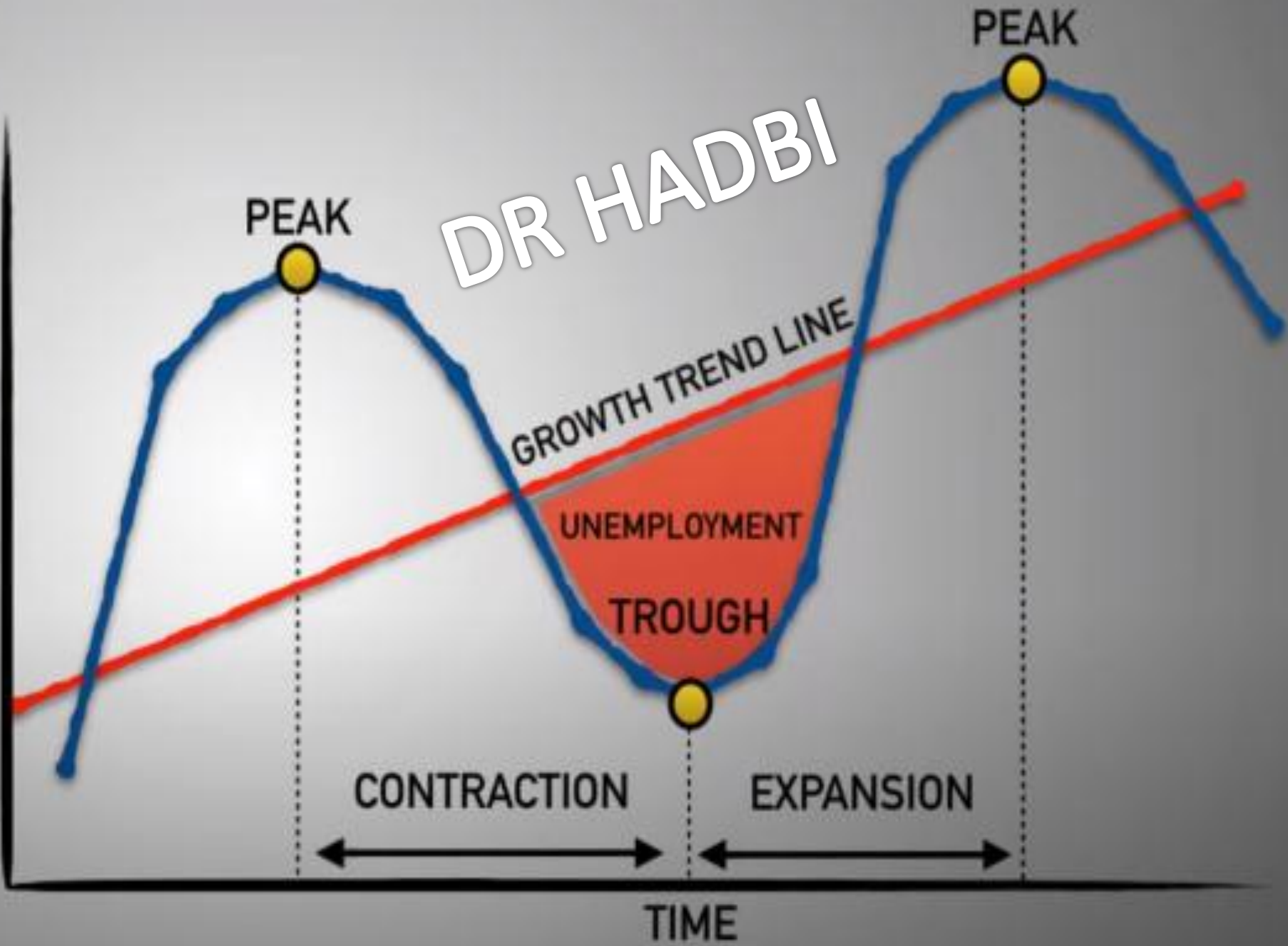
CONTRACTION

EXPANSION

TIME

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REAL GDP



PEAK

PEAK

GROWTH TREND LINE

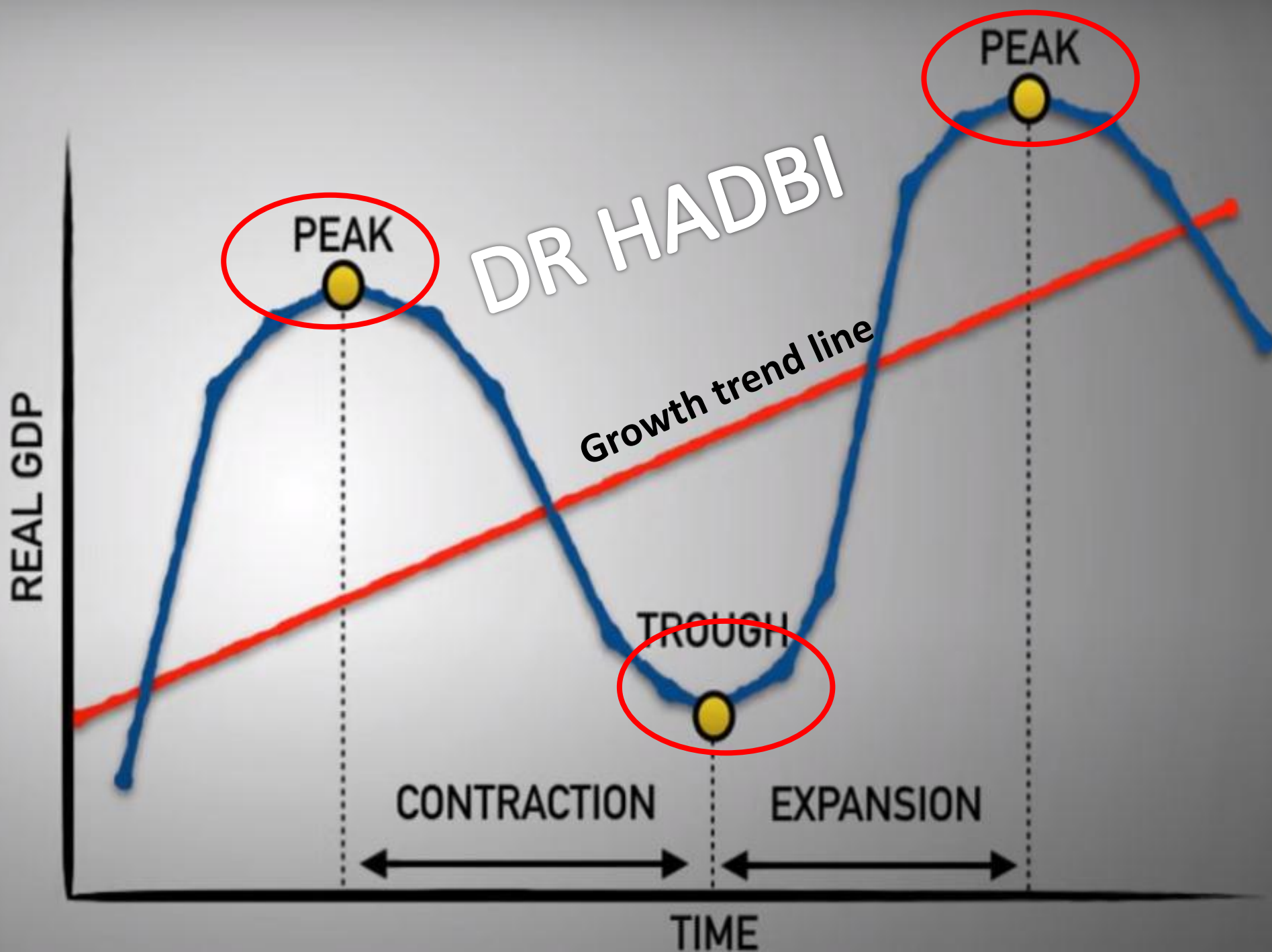
UNEMPLOYMENT

TROUGH

CONTRACTION

EXPANSION

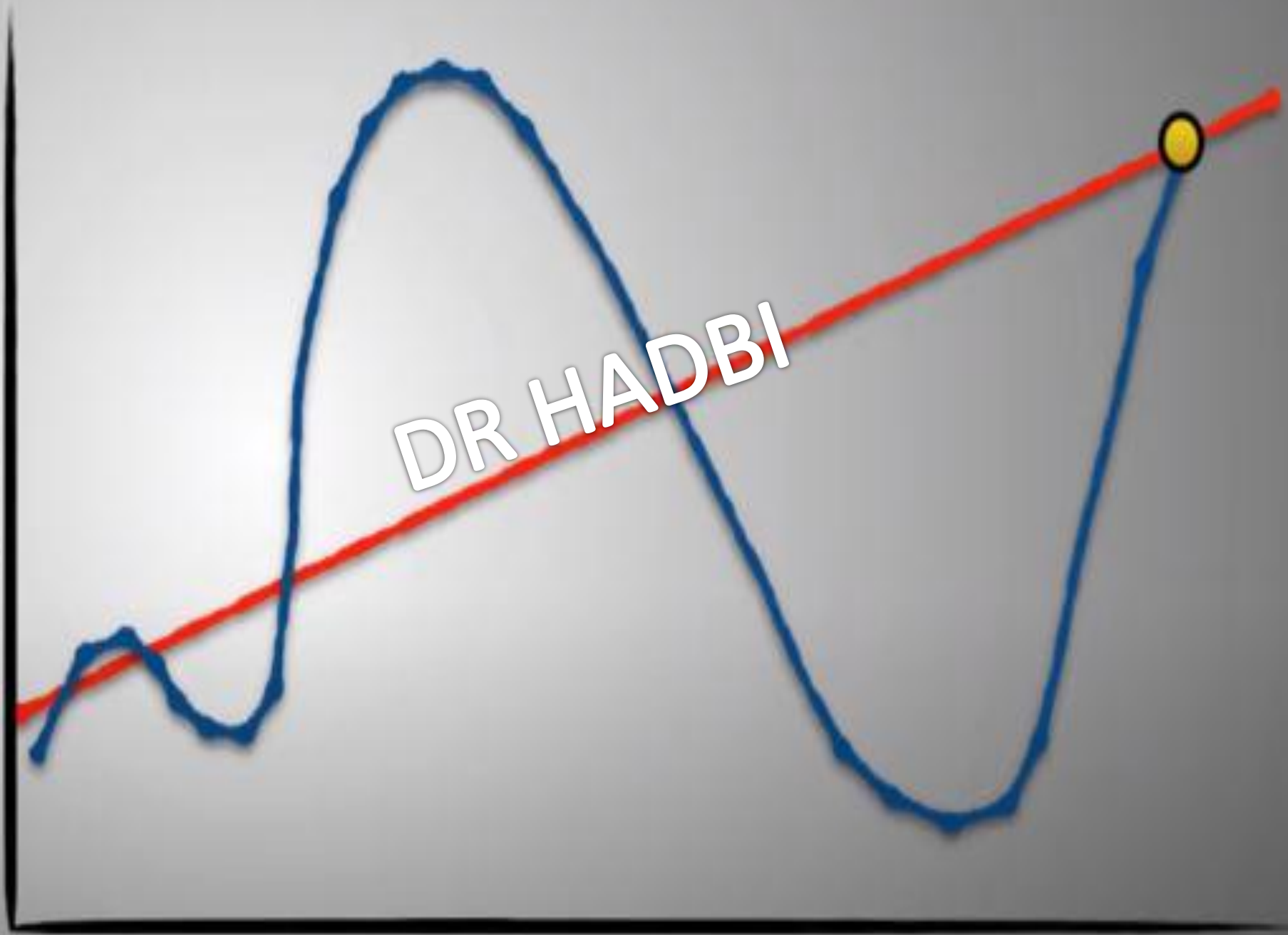
TIME



REAL GDP

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TIME





THANKS
FOR
WATCHING



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