

WHY SHOULD WE STUDY ECONOMICS?

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-Economics - is the study of economies, the study of how human beings coordinate their wants, given the institutional structures of the society. Economists study how society allocates scarce resources and goods. Goods include products such as food clothing, and housing as well as services such as those provided by doctors, repairmen, and police offices. These resources and goods are considered scarce because of society's tendency to demand more resources and goods than are available.

-An economic policy is a course of action that is intended to influence or control the behavior of the economy. Economic policies are normally implemented and administered by the government. The goals of economic policy consist of value judgements about what economic policy should strive to achieve. While there is some disagreement about the appropriate goals of economic policy, there are three widely accepted goals including:

1. Economic growth: It means that the incomes of all consumers and firms (after accounting for inflation) are increasing over time.
2. Full employment: It means that every member of the labor force who wants to work is able to find work.
3. Price stability: It means to prevent increases in the general price level known as inflation, as well as decreases in the general price level known as deflation.

Failure at least in one of them will lead to serious economic problems.

-The last argument in favour of the study of economics has to do with its general cultural value. Economic discourse has become involved in economic argument. Wherever one goes, one may become involved in economic argument. Not only in the classroom, but in the restaurant, on the train, or at the golf club, one is expected to know something about the trend in the cost of living or the dangers of an inflated currency or the seriousness of the unemployment situation. The great Einstein once said: "Economic institutions exist for man and not man for economic institutions". It is our task then to study these institutions since they have been designed for our good, to reform them when they need reforming, and it necessary to eliminate such of them as may have outlived their usefulness.