

Abdelhafid Boussouf University Center – Mila

Faculty of Economics, Commercial & Management Sciences

Departement Of Economics

Lectures On : Introduction to Economics

Addressed To 1st Year Students – 2nd Semester

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Academic Year 2024-2025

Introduction to Economics

Definition of Economics

Economics is the social science that studies how individuals, businesses, governments, and societies allocate scarce resources to satisfy their needs and wants.

Branches of Economics

Economics is generally divided into two main branches:

1. **Microeconomics:** Focuses on individual consumers, businesses, and market mechanisms that determine prices and output levels.
2. **Macroeconomics:** Examines the economy as a whole, including issues such as inflation, unemployment, and economic growth.

Basic Economic Problems

Since resources are limited, societies face three fundamental economic questions:

1. **What to produce?** – Deciding which goods and services should be produced.
2. **How to produce?** – Determining the best way to use resources efficiently.
3. **For whom to produce?** – Deciding who will receive and benefit from the goods and services.

Key Economic Systems

Different economic systems exist to address these questions:

1. **Market Economy (Capitalism):** Resources are allocated based on supply and demand with minimal government intervention.
2. **Command Economy (Socialism/Communism):** The government controls resource allocation and production decisions.
3. **Mixed Economy:** A combination of market and command economy principles.

Key Terms in Economics

- **Scarcity** – الندرة
- **Supply and Demand** – العرض والطلب
- **Opportunity Cost** – تكلفة الفرصة البديلة
- **Inflation** – التضخم
- **Gross Domestic Product (GDP)** – الناتج المحلي الإجمالي
- **Market Equilibrium** – توازن السوق