



Text

Economics comes from the ancient Greek word "oikonomia," which means "household management." Today, it has a more precise meaning. Economics is the social science that studies how people make choices to satisfy their unlimited wants with limited resources. People have unlimited wants, meaning they always desire more and better goods and services, example better food, bigger houses, and newer phones. However, resources are limited because we do not have infinite money, time, or raw materials. This fundamental problem is known as scarcity. Because of scarcity, we must constantly choose what to get and what to give up. In one sentence, economics is about choice in a world of scarcity. This field is divided into two main branches. Microeconomics looks at the behavior of individuals and companies, focusing on specific decisions like pricing, consumer choices, and individual markets. Macroeconomics, on the other hand, examines the economy as a whole, studying broad issues like inflation, unemployment, and national income. Studying economics matters in everyday life because it gives you a special way of thinking. It provides the tools to understand the world around you better, from managing your personal finances to comprehending government policies and global economic events. Ultimately, economics helps us understand the decisions we all make every day.