

FIRST TERM E-LEARNING NOTE
SUBJECT: ECONOMICS
CLASS: SS1

SCHEME

WEEK TOPIC

1. Meaning of Economics.
2. Economics as a Science, Arts or Social subject.
3. Basic Concept of Economics.
4. Importance of Opportunity Cost to an Individual, Firms and the Government.
5. Basic Economic Problems of the Society.
6. Basic Tools for Economics Analysis.
7. Data Collection and Presentation.
8. Theory of Production.
9. Land as a Factor of Production.
10. Labour as a Factor of Production
11. Revision.
- 12 & 13. Examination.

REFERENCE BOOKS

- Amplified and Simplified Economics for Senior Secondary School by Femi Longe
- Comprehensive Economics for Senior Secondary School by J.V. Anyaele
- Fundamentals of Economics for SSS By. R.A.I. Anyanwuocha

WEEK ONE

DEFINITION AND THE SCOPE OF ECONOMICS

CONTENT

1. Definition and meaning of Economics
2. The scope of Economics
3. Why do we study economics?

DEFINITION AND MEANING OF ECONOMICS

Economics as a dynamic subject has very many definitions. It is often said that there are so many definitions of economics as there are economists because they see the subject from different point of view.

Some definition given by some economists includes:

Adam Smith (18th Century British Economist and Called "Father of Economics") in 1776 defined economics as "an inquiry into the nature and causes of the wealth of nations".

John Stuart Mill in 1843 defined economics as "the practical science of production and distribution of wealth"

Alfred Marshal in 1890 defines it as "a study of mankind in the ordinary business of life, earning and enjoying a living".

H. J. Daven Port defines economics as "a science that treats phenomena from the stand point of price".

Edvins Canon defines economics as "the study of things having to do with man's material welfares".

A.I. Pigou defines economics as "the study of how total production could be increased so that the standard of living of people might be improved".

However, the most acceptable and widely used definition was by **Professor Lionel C. Robins** in 1932, which defines economics as "the science which studies human behaviour as a relationship between ends and scarce means which have alternative uses". The reasons for the popularity of this definition is twofold, namely, it is the only definition which mentions:

- (a) The basic economic problem of scarcity and choice.
- (b) The fact that economics is a social science.

THE SCOPE OF ECONOMICS

1. Economics relies on the findings of other social sciences which include ethics, political science, sociology, geography, psychology, philosophy, anthropology, etc, in order to reach sound conclusion concerning human behaviour. This inter-relationship with other social sciences promotes a wider general understanding of social behaviour.
2. Economics is a social science which studies human behaviour or mankind's economic activities in relation to production, exchange, distribution and consumption of goods and services.
3. It deals with how people react to economic situations and how they behave while engaged in their daily economic activities.
4. Economics deals with the administration of scarce resources in the society.
5. Economics is positive in its study of human behaviour by concerning itself with "What is", and not normative with "What should be", and thus point out the full cost - the real or opportunity cost - of achieving our ends.

EVALUATION

1. Give three definitions of economics?
2. Write a short note on the scope of economics.

THE BRANCHES OF ECONOMICS

Economics is broken down into two main broad areas: Micro economics and Macro economics.

Micro economics is the branch of economics that deals with economic action or behaviour of individuals, household and firms. It centers on the analysis of individual prices, market and allocation of specific resources to particular uses e.g. demand and supply etc.

Macro economics in the other hand is the study of the economy as a whole includes among other economic aspects such as inflation, National income, investment, unemployment, international trade etc.

EVALUATION

1. How would you define Economics?
2. What are the two branches of Economics? Explain

WHY DO WE STUDY ECONOMICS

Economics as a social science, studies human behaviour of the individual, firm and government in the ordinary business of life due to the following reasons:

1. The study of economics provides the students with the basic skills for analyzing economic problem thereby preparing them better for positions where economic decisions are needed.
2. It enables a student to understand the nature of the complexity of the economic activities.
3. It is useful in analyzing patterns of socio-economic behaviour.
4. It helps government to promote growth and development thereby improving their...