

What is Economics?

The branch of knowledge concerned with the production, consumption, and transfer of wealth. —Google

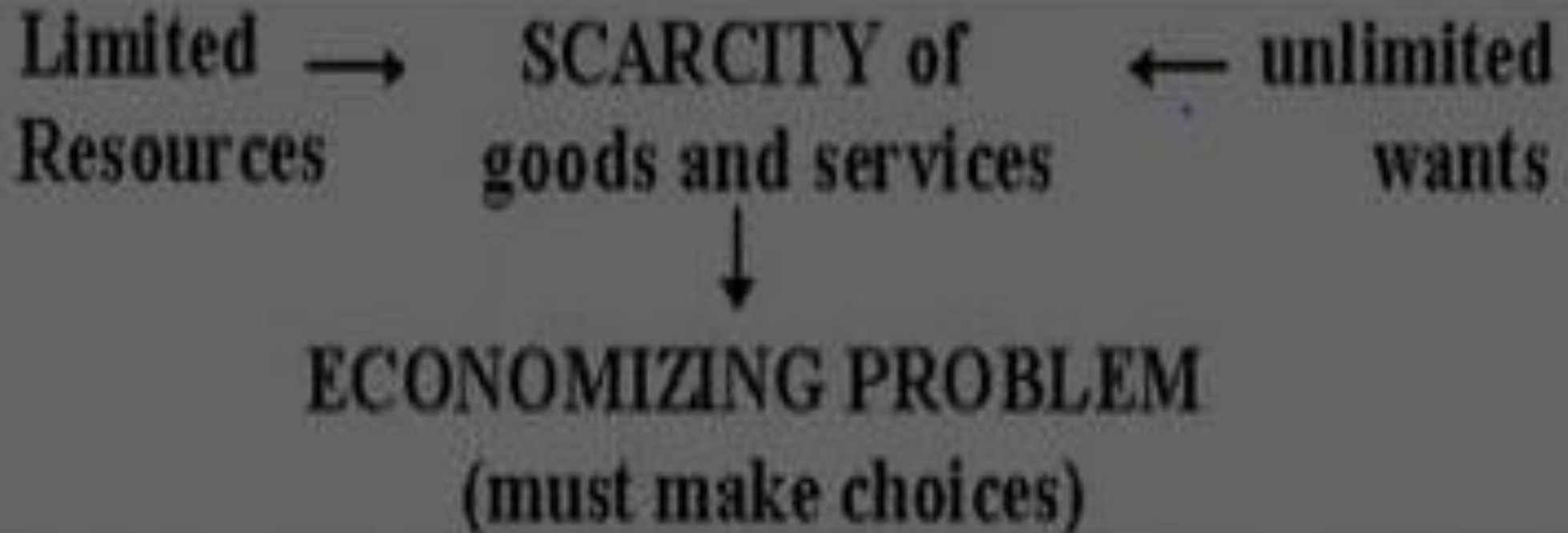
The social science that analyzes the production, distribution, and consumption of goods and services. —Wikipedia

The study of how people try to satisfy what appears to be seemingly unlimited and competing wants through the careful use of relatively scarce resources. — Economics: Principles and Practice

A social science that studies how individuals, governments, firms and nations make choices on allocating scarce resources to satisfy their unlimited wants. — Investopedia.

What is Economics?

- The study of how scarcity affects the choices society makes.



Why do all people face scarcity at all time?

Scarcity: The condition of not being able to have all of the goods and services one wants, because wants exceed what can be made from all available resources at any given time.

For an item to be scarce it must be limited and desired— Items are only scarce when they have value in alternative uses (see trade offs and opportunity costs in following lesson)

People can not have everything they want all the time!

Why do all people face scarcity at all time?

The image displays a video player interface with three distinct panels. The left panel shows the periodic table entry for Oxygen (O), including its atomic number (8), atomic weight (15.999), and electron configuration $[He]2s^2 2p^4$. The middle panel features a collection of popular candy bars such as Reese's, KitKat, Hershey's, Almond Joy, and Snickers. The right panel shows a 3D molecular model of the Poliovirus. A blue progress bar is visible at the bottom of the video player, with a play button icon in the center. The video player includes a timestamp of 0:04:47 on the bottom left and 0:04:0 on the bottom right.

How do wants and needs differ?

- Need: Basic need for survival
 - Food, Water, shelter, and clothing
- Want: Everything else