

SHORT QUESTION

Q.1. What are different schools of thought in economics?

1. Classical School
 2. Neo-Classical School
 3. Modern School
-

Q.2. Narrate Adam Smith's definition of economics.

Adam Smith defined economics as:

“An inquiry into the nature and causes of wealth of nations.”

Q.3. Who is the father of economics?

Adam Smith is the father of economics.

Q.4. When and which book was written by Adam Smith?

- **Year:** 1776
 - **Book:** *The Wealth of Nations*
-

Q.5. Write four important pillars of economics stated by Adam Smith.

1. Production
 2. Exchange
 3. Distribution
 4. Consumption of wealth
-

Q.6. When and which book was written by Alfred Marshall?

- **Year:** 1890
 - **Book:** *Principles of Economics*
-

Q.7. Write three merits of Alfred Marshall's definition of economics.

1. Emphasizes human welfare
 2. Balances wealth and welfare
 3. Practical and realistic approach
-

Q.8. Write definition of "economics" by Professor Robbins.

"Economics is the science which studies human behavior as a relationship between ends and scarce means which have alternative uses."

Q.9. What is meant by scope of economics?

Scope of economics means the **area or subject matter** covered by economics.

Q.10. Whether economics is an art or science, explain.

Economics is **both an art and a science**.

- It is a **science** because it has laws and theories.
 - It is an **art** because it applies knowledge for practical purposes.
-

Q.11. Write three importance of study of economics.

1. Helps in decision making
 2. Proper utilization of resources
 3. Understanding economic problems
-

Q.12. What is the difference between consumption of wealth and production of wealth?

Production of Wealth Consumption of Wealth

Creation of goods Use of goods

Increases wealth Decreases wealth

Production of Wealth Consumption of Wealth

First stage Final stage

Q.13. When and which book was written by Professor Robbins?

- **Year:** 1932
 - **Book:** *An Essay on the Nature and Significance of Economic Science*
-

Q.14. From which country does Robbins belong?

Professor Robbins belonged to **England (UK)**.

Q.15. Differentiate between macro and micro economics.

Microeconomics	Macroeconomics
Individual units	Whole economy
Demand & supply	National income
Price of goods	Inflation
Consumer behavior	Unemployment

LONG QUESTION

Q.1. How many schools of thought are there in economics? Define economics from each view.

There are **three major schools of thought** in economics:

1. Classical School (Adam Smith)

According to Adam Smith, economics is the **science of wealth**.
He defined economics as the study of the **nature and causes of wealth of nations**.
This view focuses on **production, exchange, and accumulation of wealth**.

Definition (Adam Smith):

“Economics is an inquiry into the nature and causes of wealth of nations.”

2. Neo-Classical School (Alfred Marshall)

Marshall considered economics as the study of **human welfare**.
He emphasized that wealth is important only because it promotes human well-being.

Definition (Alfred Marshall):

“Economics is a study of mankind in the ordinary business of life.”

3. Modern School (Lionel Robbins)

Robbins defined economics as the science of **scarcity and choice**.
This definition is more scientific and analytical.

Definition (Robbins):

“Economics is the science which studies human behavior as a relationship between ends and scarce means which have alternative uses.”

Q.2. Explain the nature and scope of economics in detail.

Nature of Economics

1. **Economics is a science** – it studies cause and effect relationships.
 2. **Economics is a social science** – it studies human behavior.
 3. **Economics deals with scarcity** – resources are limited while wants are unlimited.
 4. **Economics is both theoretical and practical.**
 5. **Economics is both an art and a science.**
-

Scope of Economics

The scope of economics is divided into two parts:

1. Microeconomics

- Individual consumer
- Individual firm
- Demand and supply
- Price determination

2. Macroeconomics

- National income
- Inflation
- Unemployment
- Economic growth
- Fiscal and monetary policies

Q.3. Why is the study of economics important for a technician?

The study of economics is very important for a technician because:

1. **Efficient use of resources** – helps in minimizing waste.
2. **Cost control** – helps in reducing production cost.
3. **Decision making** – helps in choosing best alternatives.
4. **Understanding market conditions** – demand, supply, and pricing.
5. **Improves productivity** – better planning and management.
6. **Helps in project planning** – budgeting and cost estimation.
7. **Promotes economic awareness** – inflation, taxes, and wages.

Thus, economics helps a technician become more efficient and economically sound.