



Micro economics



The prefix 'micro' is derived from Greek word 'mikros', meaning small.

“Micro economics studies the economic behaviour of individual economic units and individual economic variables.”

The study of economic behaviour of the households, firms and industries forms the subject-matter of micro economics.

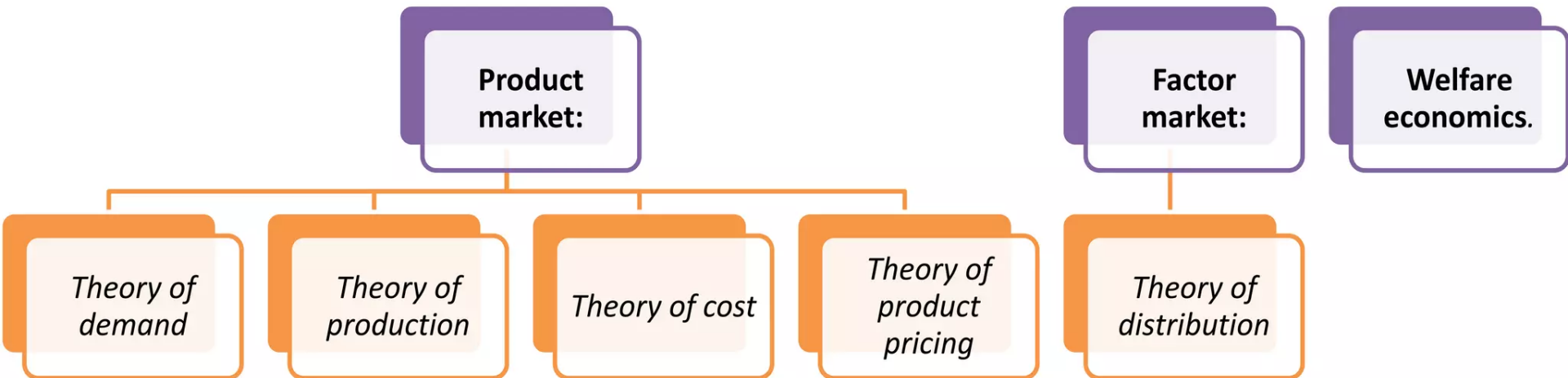


Micro economics is concerned with economic activities of individual economic units as consumers, resource owners and business firms.

It revolves around the interaction of consumers and producers in markets.

It explains how these individuals as consumers or households, as resource owners and as producers play their part in the working of the whole economic system.

Micro economics is concerned with



Thus, micro economics deals with

Determination of product prices

Determination of factor prices and their quantities in the individual markets

The allocation of resources among various firms and industries.

It deals with the action and interaction of individual markets-product and factor markets.