

# ECONOMICS CHEAT SHEET: THE MOST IMPORTANT DEFINITIONS FOR EACH OF THE BRANCHES

## MACROECONOMICS

- It is the study of country and government decisions as to the apportionment of resources and prices of goods and services.
- It relates with account taxes and regulations made and implemented by governments.
- This study analyzes the behavior of economy in general and not for particular companies. It considers whole industries and economies.
- **Factors and conditions relating to macroeconomics:**  
It focuses on economy-wide phenomena, and ways it is affected by the changes in different factors such as price levels, unemployment, rate of growth, and national income. It is also concerned with international trade, monetary policy, globalization, and economic growth.
- **Founder of macroeconomics:**  
Macroeconomics was found by John Maynard Keynes. He started the utilization of monetary aggregates to study broad phenomena.  
It is called as top-down approach. It concerns inflation rate and economic growth.  
It concentrates on whole and econometric correlations. The economy's macroeconomic health desires to increase employment, a higher standard of living and low inflation.

## MICROECONOMICS

- It is a branch of social science that studies economic tendencies. It shows the effects of human acts, particularly on the results of the decisions from the use and distribution of limited resources. In short, it does not elaborate predictions in a market but it describes the expectations when specific conditions change.
- **Microeconomic subgroups:**
- Usually, a microeconomic setting is composed of microeconomic subgroups. Examples of these subgroups are business owners, buyers, and sellers. These individuals have to deal with the relationship of supply and demand for resources. They use money, which may also include interest rates.
- It is commonly used to markets of goods and services. It engages with individuals and economic problems.
- It is concerned with individual labor markets, factors coming from production and consumption, and the relationship of supply and demand in single markets.
- It analyzes the individuals and business decisions in dealing with supply and demand and other factors for the determination of price levels.
- This study would consider the strategies and plans of companies to optimize its production and capacity. With this, it can lower the prices of its good and services, making it a better competitor in the industry.
- This branch demonstrates the processes and reasons why different goods have different values. It also explains how people deal with each other.
- The rules of microeconomics run from a set of laws and theories instead of an empirical study.
- It is also called as a bottoms-up approach to analyze economy. It tries to comprehend human choices and resource share.
- It gives emphasis on small details giving an impact on particular companies.
- Comparing to macroeconomics, this study is more advanced and comprehensive.

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## BUSINESS ECONOMICS

- This is the study of financial issues, as well as challenges a corporation faces in a particular economy.
- It is also called Managerial Economics or Applied Economics.
- It deals with the challenges on techniques, expansion, administration and organization on businesses.
- Additionally, it can relate to processes and reasons for business expansions, results of entrepreneurs, dealings between corporations, and the functions of government for regulations.
- This is the study of the roles and contents of specific marketplace or economy.

### Economics:

- In an economy, problems on production and distribution methods are analyzed. Also, the consumption in an associated economy's population is studied.

### How business is related to economics:

- Together, business economics deals with the factors in a business set up and how are they affected.
- Business economics also related to the competency of production, attainment of fundamental capital, the acquisition of profit, and the total management strategy. It is concerned with the problems that arise from external economic factors affecting business decisions.

### Scope of Business Economics:

- The scope of business economics extends to demand forecasting, capital management, profit administration, cost and production study, pricing practices, decisions and policies, business processes, linear programming and inventory and inventory control.

### Characteristics of business economics:

- Some of the characteristics of business economics are Microeconomics, normative science, pragmatic, prescriptive, management oriented, and multi-disciplinary.

### Importance of Business Economics:

- It is significant for managers to arrive for wise decisions for their business.
- Helps businesses make plans and decisions even in a complex environment.
- Managers become more credible model builder in the business industry.
- It assists in the development of economic welfare of society.
- This branch of economics is the discipline that gives aid to businesses.

## HEALTH ECONOMICS

- It is the branch of economics that deals with effectiveness, behavior, and value for the consumption and production of health and healthcare.
- It is a discipline that studies health and health care.

- This discipline entails to analyze how limited resources are distributed for alternative methods of treating sicknesses.
- The fundamentals health economics are differences between need and demand, time horizons, notions of scarcity, supply and demand, equity, opportunity cost, margins, and discounting.
- Health economics attains to use similar analytical methods for good or services produced in the economy.
- It also desires to improve health-related services, as well promotion of health itself. The costs and benefits of health-related services are also explained by health economics.

### Scope of health economics:

- It is an area of economics where economists can challenge their skills to make the health industry.

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- **Factors to consider for health economics:**
- Health economics extends to micro-economic evaluation, budgeting mechanisms, healthcare demand, health valuation, market equilibrium, healthcare supply, and factors influencing health to name a few.
- Health economics further aims to study the effects of lifestyle with health.
- Some of the things to consider in relation to health economics are the extent of life and health with economic analysis, public policy on health and wellness, and taking consideration of efficiency and fairness.
- Health economics wants to offer best and immediate treatment for patients. There is a scarce of resources but with health economics, it can be optimized.

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