

(b) It does not cover the theory of economic growth and development.

Q(4) Definition of Growth -

According to Paul A. Samuelson "Economics is a study of how men and society choose, with or without the use of money, to use scarce productive resources having alternative uses, to produce various commodities over time and distribute the same for consumption now and

in the future amongst various people and groups of society".

Criticism -

- (a) efficient allocation and use of scarce resources.
- (b) Increase in the rate of economic growth
- (c) promotion of economic welfare.

IMPORTANT QUESTION

Q. Explain the definition of Economics related to wealth.

Q. Analyse various definitions of economics. Which of these definitions do you like most? Give reasons.

Q. Make a comparison of Marshall's and Robbins' views regarding Economics.

(2) Definition of Material Welfare -

Alfred Marshall emphasis from wealth to welfare. According to him, "Economics is the study of mankind in the ordinary business of life and it examines that part of individual and social action which is closely related to the attainment and use of material requisites of well-being."

Criticism -

- (a) This definition ignored immaterial wealth like services of doctors, teachers etc.
- (b) The concept of welfare cannot be defined exactly.

(3) Definition of Scarcity -

According to Robbins "Economics is a science of choice making. It deals with how the scarce resources of the society should be used for the satisfaction of human wants."

Criticism -

- a) It does not tell what is good or bad for social welfare.

DEFINITIONS OF ECONOMICS

● Meaning -

Economics is a social science which studies individuals and organisation engaged in the production, distribution and consumption of goods and services. It studies how individuals, businesses, governments and nations make choices about to allocates resources.

● DEFINITIONS -

Economics has been defined in four different ways :- wealth, welfare, scarcity and growth definition.

(1) Definitions related to wealth -

Adam Smith defined economics as the science of wealth. According to him, "Economics is an enquiry into those factors which determine the wealth of the nations and growth of this wealth."

Criticism :-

- (a) This definition was limited only to material wealth and ignored wealth like services of doctors, teachers etc.
- (b) It ignored human welfare.

PRINCIPLES OF ECONOMICS

B. Com Hons Part-I

TOPIC - DEFINITIONS OF ECONOMICS

By - DEEPA KUMARI

P. G. Dept. of Commerce & BUSINESS

MANAGEMENT

H. D. JAIN COLLEGE, Ara, Bhojpur,
Bihar - 802301