

PRINCIPLES OF ECONOMICS

B.Com Hons Part-I

TOPIC -

feature of Economic System

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• Features of an Economic System :-

- ① Group of Individuals :-
It is constituted of all those economic units (as - consumers, firms, trade union) and economic agents (such as consumers, producers, investors etc) which act and interact to produce and consume goods and services.
- ② Optimum allocation of Resources :-
To achieve the maximum economic welfare, the scarce resources of the society are adequately allocated. Thus, optimum allocation of resources is the central point of an economic system.
- ③ Dynamic -
Economic system is based on human needs so it cannot be static in nature. In economic system, all economic variables change according to the needs of the society.
- ④ Based on various policies -
All economic have been faced with certain economic problems. To solve these problems, different policies are formulated.
- ⑤ Organisation by Exchange - The pivot point of an economy is the process of exchange.