

Understanding Microeconomics (an explanatory approach)

ESP CLASS FOR MANAGEMENT PROGRAM

Microeconomics

- What can be seen from this picture? Any idea where does it take place or happens? Any idea what are those people doing from the picture ?



The Definitions

:

- Microeconomics (from Greek prefix micro- meaning "small" + "economics"-) is a branch of economics that studies the behaviour of individual households and firms in making decisions on the allocation of limited resources.
- Typically, it applies to markets where goods or services are bought and sold.
- Microeconomics examines how these decisions and behaviours affect the supply and demand for goods and services, which determines prices, and how prices, in turn, determine the quantity supplied and quantity demanded of goods and services.

Continued:

- One of the goals of microeconomics is to analyze market mechanisms that establish relative prices amongst goods and services and allocation of limited resources amongst many alternative uses.
- Microeconomics analyzes market failure, where markets fail to produce efficient results, and describes the theoretical conditions needed for perfect competition. Significant fields of study in microeconomics include general equilibrium, markets under asymmetric information, choice under uncertainty and economic applications of game theory.

Closing:

- Microeconomics is the branch of economics that analyzes the market behavior of individual consumers and firms in an attempt to understand the decision-making process of firms and households. It is concerned with the interaction between individual buyers and sellers and the factors that influence the choices made by buyers and sellers.

Explanation
(to explain
about things,
how things
they are)

- To explain processes involved in the formation or working of natural or sociocultural phenomena

How the text above can be identified as an explanation text?

- General statement: Microeconomics examines how these decisions and behaviours affect the supply and demand for goods and services.
- Explanation: - One of the goals of microeconomics is to analyze market mechanisms that establish relative prices amongst goods and services.
 - Microeconomics analyzes market failure, where markets fail to produce efficient results, and describes the theoretical conditions needed for perfect competition.
- Closing: The study of the economic problems of businesses and people and the way particular parts of an economy behave.

References:

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