

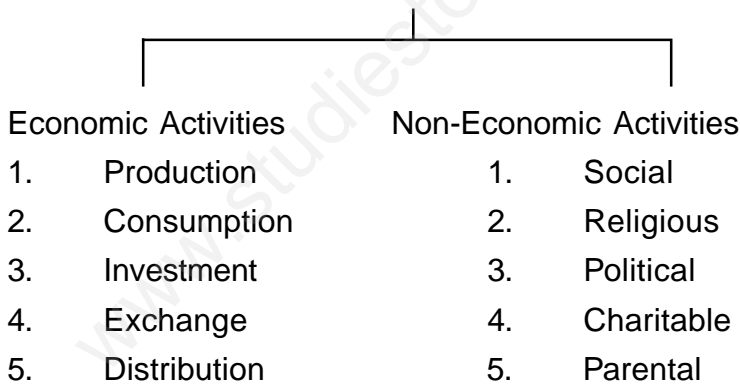
Unit-I

Introduction

Points to Remember

- * Economics :
- * Economics is a science that studies human behaviour as a relationship between ends scarce means which have alternative uses.
- * Scarcity means shortage of goods and resources in relation to their demand
- * Resources are
 - (A) Scarce / limited and
 - (B) have alternative uses

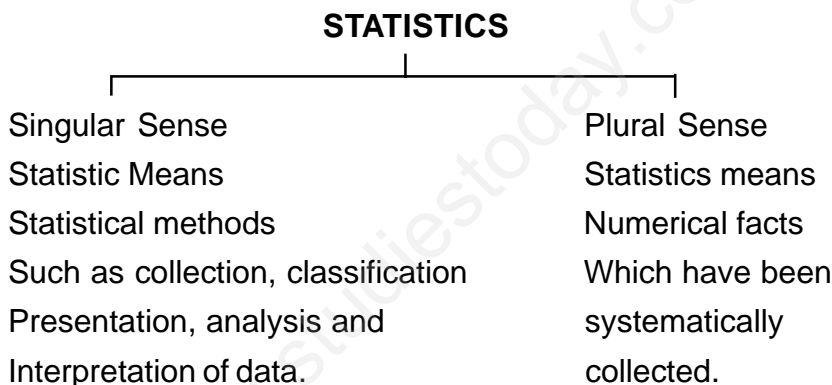
ACTIVITIES



- * Economic activities are those activities which are associated to earn money and wealth for life. These activities generate new income and increase the flow of goods and services.
- * Non economic activities are those activities which are not related to earn money and wealth. These activities neither generate income nor increase the flow of goods & services.
- * Consumer : Consumer is an economic agent who buys the goods

and services to satisfy his wants.

- * Producer : is one who produces goods and services for the generation of income.
- * Serviceholder : A person who is in job and gives his services as a factor of production to earn wage or salary. i.g. Govt. teacher.
- * Service Provider : A person who provides services to final consumer to earn money e.g. transporter, auto driver.
- * Statistics : Statistics is a method of taking decisions on the basis of numerical data.
- * Statistics can be defined in two ways



Scope of Statistics

In the olden days the use of statistics was restricted to deal with the affairs of the state. But now-a-days the scope of statistics has spread to all those areas where numerical facts are used such as economics, business, industry, medicine, physics, chemistry and numerous other fields of knowledge.

Importance of Statistics in Economics

1. It enables an economist to present economic facts in a precise and definite form.

2. Helps in condensing mass data into a few numerical measures.
3. Statistics is used in finding relationship between different economic factors.
4. Economic forecasting through statistical studies.
5. Helpful to formulate appropriate economic policies that solve economic problems.
6. Help to analyse the performance of policies applied before.

Function of Statistics

1. Statistics simplified complexities.
2. Statistics expresses facts in numbers.
3. Statistics presents data in condensed form.
4. Statistics compares different phenomena and measures relationship between them.
5. Statistics is helpful in formation of policies.
6. Statistics is helpful in economic forecastings.

Limitations of Statistics

1. Statistics does not study individuals.
2. Statistics results might lead to fallacious conclusions.
3. Statistics deals with quantitative facts only.
4. Statistics laws are true only on averages.
5. Only experts can make the best possible use of statistics.
6. Uniformity and homogeneity of data is essential.

Unit-I

One- Mark-Questions

1. Define economics.
2. State the meaning of scarcity.
3. Write the meaning of statistics in plural sense.
4. Give meaning of statistics in singular sense.
5. State one limitation of statistics.
6. What do you mean by economic activity?
7. What are non-economic activities?.
8. Write one function of statistics.
9. Define consumer.
10. Who is a producer?.

3 Marks Questions

1. Briefly explain the term service holder and service provider with an example each.
2. What is the scope of statistics now a days?
3. Explain the importance of statistics in economics.
4. Distinguish between 'quantitative' and 'qualitative' data with example.
5. Production, consumption and distribution are economic activities. Explain.
6. Why do you want to study economics? Give reasons.
7. Which one of the following is economic activity? Give reason.
 - (i) Transporting sand from river bank to a town.
 - (ii) Attending marriage party.
 - (iii) Parental love and affection towards their children.
8. Which one of the following is non-economic activity? Give reason.

- (i) Production of printing press machines to print news papers.
- (ii) Service of doctor in a hospital.
- (iii) Organisation of free medical check up camp.

Unit-I

Answers of One mark questions

1. Economics is the study of how people and society choose the scare resources that could have alternative uses to satisfy their unlimited wants.
2. Scarcity means shortage of goods and resources in relation to their demand.
3. In plural sense statistics means numerical facts which have been systematically collected.
4. In sigular sense statistics means statistical methods such as collection, classification, presentation, analysis and inter pretation of data.
5. Statistics deals with quantitative facts only.
6. An economic activity means that activity which is based on use of scare resources for satisfaction of human wants.
7. The activities which have no economic aspect or are not related to earn money.
8. Statistics presents data is condensed form.
9. Consumer is an economic agent who buys the goods and services to satisfy his wants.
10. Producer is one who produces / sell goods and services for the generation of income.