

**University of OEB**

**Academic Year: 2023/2024**

**Department of Economic Sciences**

**Third Year Licence Monetary and Banking Economics**

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### **Lecture One: Economics**

Economics is the social science that studies economic activity to gain an understanding of the processes that govern the production, distribution and consumption of goods and services in an exchange economy.

The term economics comes from the Ancient Greek *oikonomia* (oikonomia, "management of a household, administration") from *oikos* (oikos, "house") and *nomos* (nomos, "custom" or "law"), hence "rules of the house (hold for good management)". "Political economy" was the earlier name for the subject, but economists in the late 19th century suggested "economics" as a shorter term for "economic science" to establish itself as a separate discipline outside of political science and other social sciences.

Economics focuses on the behavior and interactions of economic agents and how economies work. Consistent with this focus, primary textbooks often distinguish between microeconomics and macroeconomics.

**Microeconomics** examines the behavior of basic elements in the economy, including individual agents and markets, their interactions, and the outcomes of interactions. Individual agents may include, for example, households, firms, buyers, and sellers. **Macroeconomics** analyzes the entire economy (meaning aggregated production, consumption, savings, and investment) and issues affecting it, including unemployment of resources (labor, capital, and

land), inflation, economic growth, and the public policies that address these issues (monetary, fiscal, and other policies).

(Source: <http://en.wikipedia.org/wiki/Economics?lang=en>)

**Vocabulary:**

**Economics:** The scientific study of production, sale, distribution, and use of good and wealth.

**Aggregated production:** the total level of goods and services produced within an economy over a specific period.

**Consumptions:** the use of goods and services by individuals, households, or organizations to satisfy their wants and needs.

**Inflation:** the sustained increase in the general price level of goods and services in an economy over a period of time.

**Reading Comprehension:**

- 1- What is Economics?
- 2- What is the origin of the word ‘economy’?
- 3- What is the major focus of economics?
- 4- What are the types of Economics?
- 5- Does macroeconomics focus on the basic elements of economy?
- 6- Translate into Arabic: goods, services, inflation, capital, monetary.
- 7- Read the text and fill in the table with the characteristics of Microeconomics and Macroeconomics.

Microeconomics	Macroeconomics

## Grammar: The Present Simple

The present simple tense is used to describe general facts, habits, routines, and events that are always true.

I	Stem	invest
You	Stem	invest
She/He/It	Stem+ s/es	invests
We	Stem	invest
You	Stem	invest
They	Stem	invest

**Activity:** Let's practice using the present simple tense in economics-related sentences. Fill in the blanks with the correct form of the verb.

- Economists \_\_\_\_\_ (study) market behavior to predict future trends.
- Demand for luxury cars \_\_\_\_\_ (rise) when the economy is strong.
- The government \_\_\_\_\_ (implement) new policies to stimulate economic growth.
- Inflation \_\_\_\_\_ (impact) the purchasing power of consumers.
- Central banks \_\_\_\_\_ (adjust) interest rates to control inflation.

### Writing:

Write a paragraph in which you describe the job that you want after you graduate.

- Follow the following questions:
  - What is the job?
  - Why do you choose this job?
  - Describe the job.