

THINKING SEEDS

Economics to the Layman

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In India, on an average, all students compulsorily study economics upto class tenth (in the CBSE curriculum at least). Despite this, medicine and engineering remain the top notch professions taken up by maximum number of students thereafter. Why is it so? It is because these professions apparently mint money (or so it is perceived), which is in sharp contrast to the not-so-lucrative economic profession. Therefore, not surprisingly, only a small section of the population is actually interested in understanding the dynamics of money and how it works.

Wikipedia describes 'Economics' as the social science that analyzes the production, distribution, and consumption of goods and services. The term economics comes from the Ancient Greek words οἶκος (oikos, "house") and νόμος (nomos, "custom" or "law"), hence "rules of the household." It is obviously not restricted to one household, but a set of households that comprise the society and thus a country and then ultimately the entire world.

Economics, replete with complex and pensive words and definitions, is a holistic approach towards the betterment or welfare of every individual. It analyses problems from the root level and postulates theories and ideas in order to get rid of unwanted economic problems. In cases where they are inevitable, the science suggests measures to reduce the harm to minimum.

Economics, in a broader sense, covers all aspects of an active human life whose fate has been dictated by money for quite some time now. The economy, which is the subject matter or crux of economics, is further subdivided into different sectors, depending upon the products or services produced. When we talk about money, credit cannot be too far as not everyone is always self-sufficient. Consumption is bound to exceed expenditure sometimes, and that's when credit comes to the rescue. Loans, collateral and other important credit terms are often well known to the educated. But it is the illiterate who remain ignorant and are easily deceived by the moneylenders. However, the emergence of self-help groups has given them the confidence to dream big and fulfil their dreams too, without any large monetary pressures.

Economics also deals with consumers and is replete with theories concerning consumer welfare and utility. Each one of us is a consumer of a multitude of things and it is essential that we be made aware of our

consumer rights. Concerns regarding frauds against consumers have led to the formation of consumer forums. Producers are consumers too. Therefore, they should be especially sensitive and well-informed about the duties and responsibilities they have towards the society and its beings. Furthermore, information is power in economics as it keeps businesses updated about the new variations and revolutions in the market. One such example is that of globalisation. Ever since the market was opened to the world, many companies failed to survive the competition. Few of them, however, did sail the tides and emerged with flying colours. It exposed the country to new genres and the best of ideas and technology all over the world. Economics helps organisations produce goods and services in a way that maximises profits.

Last, but not the least, economics talks about development, or more specifically, sustainable development. It is all inclusive development that propagates the need for preservation of resources by not overexploiting them indiscriminately. Economics uses an inter-disciplinary approach too. It relies on history to help it learn from past mistakes and on political science to think about how, when and where it is best to materialise business ideas. Development is measured by indicators like the Human Development Index that take into account factors such as per capita income, literacy rate, health. However, abstract values like equality, respect and sense of security, though they are not given a high economic value currently, play an important role in any society and research is going on to find ways to incorporate them.

I feel that economics as a discipline is incomprehensible to an average man. I too had to brush up my constricted knowledge of the subject to pen this down.

Come to think of it, if economics, with all its assumptions and theories, is a compulsory subject in all streams of education, then it must be greatly required for our future.

I am a Smart Consumer

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Today's Indian consumer faces a bewildering array of choices for practically any product or service. But the options are so many that it confuses us to an extent that many of us are not sure how to choose the right product. In such a scenario, what type of a consumer would an individual want to be? The answer to that would be 'a smart one'.

Being a smart consumer means deciding and spending wisely to get the most out of what is spent. It means maximizing your satisfaction at the minimum cost. A smart consumer can promote his well being by safeguarding his consumer rights.

Therefore, being a smart consumer is highly important, and indeed, I am a smart consumer.

I ask myself before every purchase, do I really need it or do I merely want it? Needs and wants are core concepts in marketing, and the producers know exactly how to blur the line between the two. But as a smart consumer, I am able to draw a clear unseen line between needs and wants. In other words, I'm able to differentiate between a luxury and a necessity. And I maintain low