

## What is Economics?

Economics is a social science, it is concerned with human beings and social systems by which they organize their activities to satisfy basic material needs( e.g. food and clothing) and non-material wants( e.g. education and knowledge.....).

Economists are social scientists ..... And their own activities are rooted in the same social context. Unlike the physical sciences, the social science of economics can claim neither scientific laws nor universal truth. In economics, there are only "tendencies", and even these are subject to great variations in different countries, cultures and at different times. Economic investigation cannot be lifted out of their institutional, social, and political context.

The central economics problem of all societies includes traditional questions such as what, where, how, how much, and for whom goods and services should be produced? But they should also include the fundamental question at the national level about who or which groups actually make or influence economic decisions and for whose principle benefit these decisions are made.

An economy must grow to provide people with an increasing standard of living that is, more and better goods and services. In general, the faster a country's economy grows, the faster its standard of living rises.

Making the economy grow! Four main elements make it possible for nations to produce goods and services. These elements, called productive resources, are: (1) natural resources, (2) capital, (3) a labor force, and (4) technology. Economists define natural resources as all land and raw materials, such as minerals, water, and sunlight. Capital includes factories, tools, supplies and equipment. The word capital also means the money that can be used to buy these items. Labor force means all people who work or are looking for work, and their education and skills. Technology refers to the scientific and business research and inventions.

To grow, a nation's economy must add to its productive resources or improve the way it uses them. For example, an economy could grow if the nation used some of its resources to build factories, heavy equipments, and other capital goods. These capital goods could then help to increase 'future production'. In addition, a nation might train scientists, create new technologies, educate workers, or train business managers to direct future production. The knowledge of these people is known as Human capital. New technology and improved human capital could increase productivity that is, produce more units of goods or services for each unit of resources consumed in production.

Measuring economic growth refers to the value of all goods and services produced within a country during a year makes up a nation's gross domestic product, or GDP. A nation measures its economic growth by the change in GDP over a period of years.

1. Read the text then say whether the following statements are true or false. Correct the wrong ones.

- Economics is a physical science
- Economics is based on laws and universal truth
- Economics is concerned with society

2. Read the text then answer the following questions:

- Define "economy" in few words
- How do we call people who are specialized in studying economy?
- What is meant by a social science?
- How can a country grow its economy?
- Why is it important for a country to grow its economy?
- What is meant by capitals?
- How can economic growth be measured?

3. Classify the following terms in the right columns:

Sociology, physics, chemistry, earth science, anthropology, history, space science, philosophy.

physical sciences	social sciences

4. Find the synonyms of the following words

To improve = to increase = to develop = to progress = .....

Rapidly = quickly = speedily = .....

To make = to create = to manufacture = .....

Products = .....

Country = .....

Discoveries = .....

Boost = .....

Era = .....



**5. Match the words with their definitions**

To measure	<input type="checkbox"/> The basic material from which a product is made.
Goods and services	<input type="checkbox"/> Employees
Productive resources	<input type="checkbox"/> Merchandise or non material products.
Raw materials	<input type="checkbox"/> The creation of something that has never been made before
Labor force	<input type="checkbox"/> A building where goods are manufactured or assembled Chiefly by machine
Capitals	<input type="checkbox"/> Materials, labor, and money which is used to create goods and services.
Invention	<input type="checkbox"/> To ascertain the size, amount, or degree of (something)
Factory	<input type="checkbox"/> Wealth in the form of money or other assets owned by a person or organization

**6. Give job nouns of the following words**

Economy ..... Science....., Manufacture .....,  
work.....Manage ....., Factory....., Produce.....

**7. Fill in the gaps with the appropriate words**

*Country, goods, production, economy, employed, social*

The term .....refers to the conditions under which .....are produced in  
a.....and the manner in which the people are gainfully ..... It  
connotes all the sources of employment and production. The economy is defined as  
a.....domain that emphasizes the practices, discourses, and material expressions  
associated with the ....., use, and management of resources'