

The science of economics (Yunit 1: Aralin 1)

Economics

- Societal science
- Decisions and choices
- (Greek) Oikonomia -> "Pamamahala ng samabahayan", "Governing the household"
- The studies:
 - Actions of people
 - Strategies in limited needs
 - Strategies to fulfill endless needs and wants

Goods

1. Economic Goods
 - Those with price
 - made by people
2. Free Goods
 - Comes naturally
 - Rain, land

Examples of economics in our lives

Developing skills and knowledge to be valuable for jobs, therefore participating in the economy.

Making a budget plan for all of your expenses.

Economists

- Studies the economy; concerns about the actions of people and their ways to satisfy their needs and wants
1. Adam Smith (Father)
 - **Father** of modern economics
 - **Let Alone Policy** - **Government shouldn't interfere** with the economics in private sectors or **NGOs**
 - **Specialization** - Single, complex task is **broken into manageable, simple tasks**.
 - *An Inquiry into the Nature and Causes of the Wealth of Nations* (**InNaCaWeNa**) (**INCWN**)
 2. Thomas Robert Malthus
 - **Malthusian Theory** - Food supply won't be able to catch up with the drastic population increase. (**Population++ = Supply--**)
 3. David Ricardo (Cardio)
 - *Law of Diminishing Marginal Returns* - Continuous usage of natural resources will be the cause of shortage. (**Usage++ = Supply--**)
 - *Law of Comparative Advantage* - Countries that have lower product prices than other countries are more superior. (**Cheap = Superior**)

4. John Maynard Keynes (Keys, Knees) (2nd Father)
 - **Father** of Modern Theory of Employment
 - The **government** has the **power to balance the economy** via spending
 - *General Theory of Employment, Interest, and Money* (**GTofEIM**)(**GTEIM**)(**TEMI**)
5. Karl Marx (3rd Father)
 - **Father** of communism
 - ***Das Kapital, Communist Manifesto*** w/ Friedrich Engel (**Fried Rich Angel**)

Economic Thinking

1. Every action has a great reason
2. Achieving benefits shapes person's decision
3. All things have a price
4. A person's choice are based on the price of smth
5. Decisions shape the future

Importance

- Teaches students to be critical and observant to the happenings inside a society

Scientific Reasoning

1. **Identify** The problem
 - Paves the direction for research
2. Give out **hypothesis**
 - Potential answers
3. Gain **datas and infos**
4. **Summarize** datas and infos
 - Graphing, statistics, charting
5. **Conclude and recommend**
 - Compare the hypothesis to conclusion