

FOUNDATIONS OF ECONOMICS UNIT

MICROECONOMICS AND MACROECONOMICS

IB CORE CONCEPTS AND NOTES SPECIFICALLY RELATED TO THIS VIDEO

IB Core Concept	Standard Level and High Level Concept
Foundations of IB Economics	<ul style="list-style-type: none">Distinguish between microeconomics and macroeconomics; positive economics and normative economics. <p>Source: IB Economics Subject Guide</p>

Microeconomics and Macroeconomics

- **Microeconomics** deals with smaller, discrete economic agents and their reactions to changing events.
 - The study of microeconomics looks at the level of the individual entity: the **individual firm**, the **individual consumer**, and the **individual worker**.
- **Macroeconomics** takes a wider view and considers such things as measuring all the **economic activity** in the economy, **inflation**, **unemployment**, and the **distribution of income** in the whole economy.
 - The study of macroeconomics looks at the sum of the behaviors of **all** consumers (consumer sector), all firms (business sector).

Source: Jocelyn Blink and Ian Dorton. IB Economics: Course Companion, Second Edition.