

# CLASS 11<sup>th</sup> ECONOMICS - CHAPTER - INTRODUCTION

## Microeconomics and Macroeconomics

Basic	Microeconomics	Macroeconomics
Meaning	Microeconomics is that part of economic theory which studies the behaviour of individual units of an economy.	Macroeconomics is that part of economic theory which studies the behaviour of aggregates of the economy as a whole.
Tools	Demand and supply	Aggregate demand and aggregate supply.
Basic objective	It aims to determine price of commodity or factors of production.	It aims to determine income and employment level of the economy.
Degree of aggressive	It involves limited degree of aggregation. For example, market demand is derived by aggregating individual demands of all buyers in the particular market.	It involves the highest degree of aggregation, for example, aggregate demand is derived for the entire economy.



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Other name	It is also known as "Price Theory".	It is also known as "Income and Employment Theory."
Examples	Individual income, individual output	National income, National output.



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Variables	Individual income, individual output	National income, National output.