

Branches of ECONOMICS

Every field of study has its own language and its own way of thinking. *Economics is no different.*

Many subjects are studied on various levels. Economics is also studied on various levels. We can study the decisions of individual households and firms. Or we can study the interaction of households and firms in markets for specific goods and services. Or we can study the operation of the economy as a whole, which is just the sum of the activities of all these decision makers in all these markets.

The field of economics is traditionally divided into two broad subfields.

Microeconomics is the study of how households and firms make decisions and how they interact in specific markets.

Macroeconomics is the study of economy wide phenomena

The field of economics is divided into two subfields: microeconomics and macroeconomics. Micro economists study decision making by households and firms and the interaction among households and firms in the marketplace. Macroeconomists study the forces and trends that affect the economy as a whole.