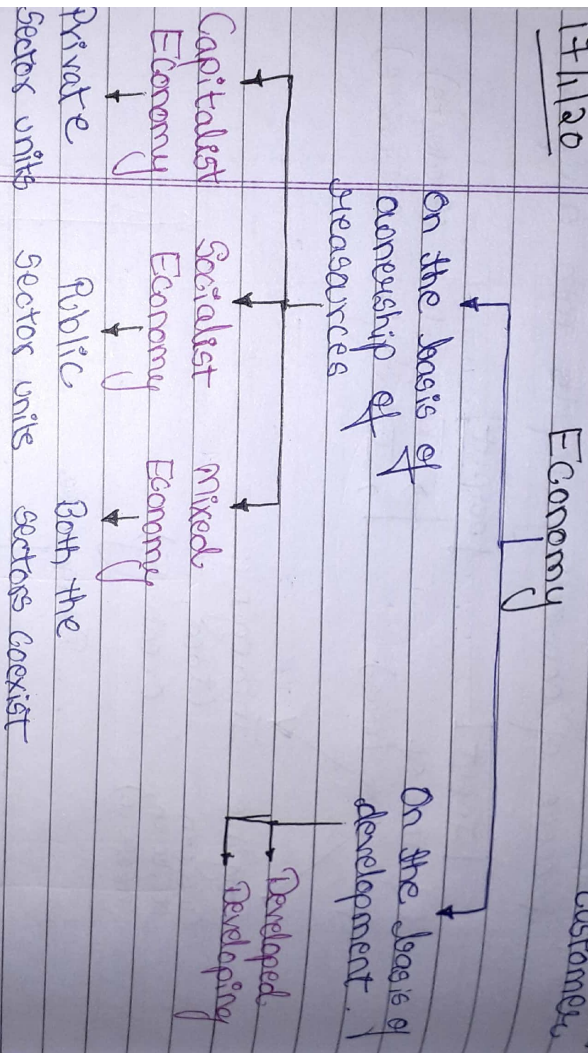


• Exchange:- (Trade) It will never be possible without consideration transfer of ownership with consideration. The channel of distribution is used by the producer to make available the products to consumer.

Producer  $\rightarrow$  wholeseller  $\rightarrow$  Retailer  $\rightarrow$  Consumer / Customer

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Price mechanism :- (P.M)

1 In capitalist eco. P.M is divided in

P.M

Demand      Supply



Stock → Securities  
Share      Debentures.

- \* Factory cannot issue share and not involve in share market but company does.
- \* Firm (Factory):- An individual unit.
- \* Industry :- Group of firms, produce the same product.
- \* Joint stock company :- where two or more people work together to achieve specific objective with efficiency.

Share:-

- These are the parts of capital look like the small units of fund.
- The return on share is "Dividend" (Interest)

Types of share are so many from these 2 are:-

- 1) Equality share → they are owners of company.
- 2) Preference share → these are investors not owners of company.

Whenever profit of share is divided first priority is given to preference share and then equality share.

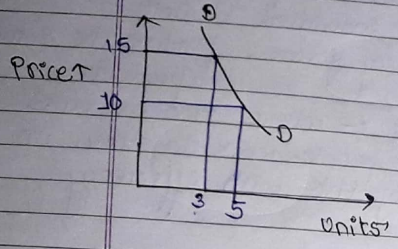
Debentures:-

- Loan from general public and return interest to public.

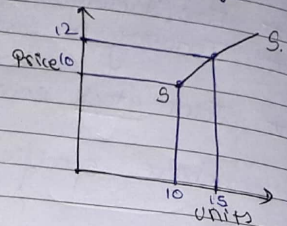


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### Demand

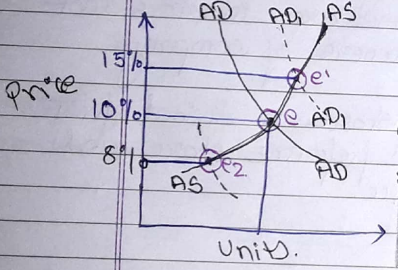


### Supply

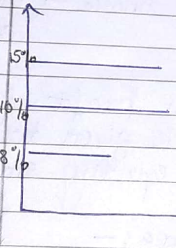


AD :- Aggregate Demand  
AS :- Aggregate Supply

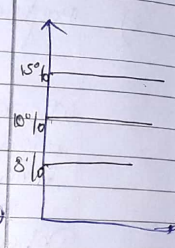
### Industry



### Firm A



### Firm B



- Chanakya is father of "Political Economics"

4 Principles :-

- Dharma (धर्म)
- Artha (अर्थ)
- Karma (कर्म)
- Moksha (मोक्ष)

- Prof. Adam Smith is father of "Modern Economic Economics" :-

- ① It is known as a social science in which all the activities of mankind are studied which are related with earning & spending of money with reference to profit/loss.

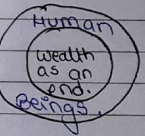
For these activities there are some rules & by-rules are formulated in the theory of economics which we implement these rules for solving the practical business problem. Then this is the subject matter of "Managerial Economics".

(Wealth oriented)

Definition of Economics

Given by Adam Smith

Earning wealth with its right conduct and



# Defination of Economics given by diff. people

