



PRESIDENCY COLLEGE
(Autonomous)



*Reaccredited by
NAAC with A+*

Microeconomics

Economic decisions

Presidency
Group

OVER
40
YEARS
OF ACADEMIC
WISDOM



PRESIDENCY COLLEGE

(AUTONOMOUS)

AFFILIATED TO BENGALURU CITY UNIVERSITY, APPROVED BY AICTE, DELHI & RECOGNISED BY THE GOVT. OF KARNATAKA

RE-ACCREDITED BY NAAC WITH 'A+' GRADE



Economic Decisions

- Economic decisions involve **production, distribution, exchange, consumption, saving, and investment of economic resources.**
- Goals of individuals and private organizations (private goals) and society as a whole (public goals).



3 Basic Economic Decisions

- What should we produce?
- How should we produce it?
- For whom should we produce it?

*The decision makers for these questions



The decision Maker!



The two Extremes: Command (planned) and free market systems.



Economic systems

- A planned system, **communism** and **socialism**, the **government exerts control over the production** and distribution of all or some goods and services.
- In a **free market system**, also known as **capitalism**, business is conducted with only limited government involvement.
- Competition determines what goods and services are produced, how they are produced, and for whom.

