ECONOMICS 4 APPORACHES

Wealth viewpoint: This is a classical viewpoint on economics that was given by **Adam Smith,** who is also considered as the Grandfather of Economics. According to him, Economics is *"the study of the nature and causes of nations' wealth or simply as the study of wealth."* So how countries get Richer or Poorer was the main paradigm

Smith argued that by giving everyone freedom to produce and exchange goods as they pleased (free trade) and opening the markets up to domestic and foreign competition, people's natural self-interest would promote greater prosperity than with stringent government regulations.

Welfare viewpoint: It is a neo-classical viewpoint on economics that was given by **Alfred Marshall**. According to Alfred Marshall, "*Economics is a study of man in the ordinary business of life. It enquires how he gets his income and how he uses it. Thus, it is on the one side, the study of wealth and on the other and more important side, a part of the study of man."*

Scarcity viewpoint: It is a pre-Keynesian thought of economics that was given by **Lionel Robins** in his book 'Essays on the Nature and Significance of the Economic Science'. According to Robins, "*Economics is a science which studies Human behaviour as a relationship between ends and scarce means which have alternative uses".*

Growth viewpoint: This is the modern perspective of economics mainly given by **Samuelson & by J M Keynes**. They provided the growth-oriented definition of economics. According to him, "Economics is a study of how men and society choose with or without the use of money, to employ scarce productive uses resource which could have alternative uses, to produce various commodities over time and distribute them for consumption, now and in the future among the various people and groups of society." Also various Paradox of Savings & Investments and Employment have been considered.

GDP

Gross Domestic Product or **GDP** is referred to as the total monetary value of all the final goods and services produced within the geographic boundaries of a country, during a given period (usually a year). Gross Domestic Product is one of the most important indicators of the economic status of a country. Gross domestic product (GDP) is the monetary value of all finished goods and services made within a country during a specific period. GDP provides an economic snapshot of a country, used to estimate the size of an economy and growth rate. GDP can be calculated in three ways, using expenditures, production, or incomes. Current Indian Economy GDP is approx 3 .03 Trillion USD (225 + Lakhs CR INR)

Usually measured in form of Mathematical Equation as :

C (Consumption) + I (Investment + G (Govt. Expenditure) + X -M (Export - Imports)