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Economics:

“Economics is the social science that studies the production, distribution, and consumption of goods and services. Economics focuses on the behavior and interactions of economic agents and how economies work.”

The principle (and problem) of economics is that human beings have unlimited wants and occupy a world of limited means. For this reason, the concepts of efficiency and productivity are held paramount by economists. Increased productivity and a more efficient use of resources, they argue, could lead to a higher standard of living.

Types of Economics:

There are two types of economics.

1. Micro economics
2. Macro economics

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| **BASIS FOR COMPARISON** | **MICROECONOMICS** | **MACROECONOMICS** |
| Meaning | The branch of economics that studies the behavior of an individual consumer, firm, family is known as Microeconomics. | The branch of economics that studies the behavior of the whole economy, (both national and international) is known as Macroeconomics. |
| Deals with | Individual economic variables | Aggregate economic variables |
| Business Application | Applied to operational or internal issues | Environment and external issues |
| Tools | Demand and Supply | Aggregate Demand and Aggregate Supply |
| Assumption | It assumes that all macro-economic variables are constant. | It assumes that all micro-economic variables are constant. |
| Scope | Covers various issues like demand, supply, product pricing, factor pricing, production, consumption, economic welfare, etc. | Covers various issues like, national income, general price level, distribution, employment, money etc. |
| Limitations | It is based on unrealistic assumptions, i.e. In microeconomics it is assumed that there is a full employment in the society which is not at all possible. | It has been analyzed that 'Fallacy of Composition' involves, which sometimes doesn't proves true because it is possible that what is true for aggregate may not be true for individuals too. |

From above Chart we can see that our given object for this presentation is a part of Micro economics which is Demand and Supply (needs and wants).

**“Demands and Supply (needs and wants)”**

Needs:

“Needs are defined as services that are necessarily required for survival."

Or

“Needs refers to an individual's basic requirement that must be fulfilled, in order to survive.”

It can be Objective/Physical or Subjective

Objective needs - food, shelter, sleep, clothing

Subjective needs — affection, acceptance, self-esteem

In industrial economics needs define what kind of product costumers or consumers want to according to their survival. For example if they want medicine which can resist some kind of certain diseases we count it in Needs.

Wants:

Wants are described as, "the goods and services, which an individual like to have or would like desire.”

OR

Wants are goods or services that are not necessary but that we desire or wish for.

People have UNLIMITED WANTS with LIMITED RESOURCES.

In industries we fulfill people’s wants by managing quality of products such as we have a costumer and he wants a medicine which can helpful in resisting any certain disease along fever then we call it a ‘want’ of costumer which he desires.

Another example is it is desired to synthesis a polymer with which can act as a membrane between two different electrolyte which also acts as water repellent, it counts in wants not need. But for what purpose we are using it becomes need after it.

Now we come to Demands.

Demands:

We count demands in wants, for what our costumer desires.

You might want a BMW or a Mercedes for a car. You might want to go for a cruise. They are also demands but when it becomes necessary to have a car we call it wants.

The basic difference between wants and demands is desire. A customer may desire something but he may not be able to fulfill his desire.

Supply:

It is the most important objective of industrial economics. An industry never wastes its product due to which it has to be determined first where it has to increase their supplies.

For example they have a targeted area where supply of any product is bad, where people are suffering from the lack of product. Then that industry can supply their products to there but only in one condition that their product should be People’s needs but not wants so they will do anything to buy their products for any cost.

The main difference we all understand from Needs, wants, supply and demands is

Needs are the things for which people can do anything. They will pay any price for their needs and that should be the main motive of any industry to fulfill people’s needs with their own cost. For example we have a small city here where there is a shortage of some kind of product and product is need for their lives. That industry prepares that product in 2500$ but they sell their product to the consumers in that city for 4000$. People will pay this 4000$ costs or more because product is their need.

But on other side if a consumer demands of commercial grade of NaOH from an industry. They want it for 4000$ but you are preparing it from 3000$ that’s causes you only 1000$ profit so you can’t deny their needs but if you demanded for more costs then the consumer will probably go to the other suppliers which will may steal your 1000$ profit also.

So we always consider needs not wants of consumers.

Wants will only be considerable when you become the one of the greatest industry to fulfill people’s wants.

Just like I phone, people always for every new product of I phone, they give you upgrade in their products like more storage than before, better camera quality etc.

So people always go for every new upgrade version of I phone.

But they; never sell their products where people can’t buy their products. They will buy their products only where people can buy and give them much amount of profit.

We supply our Products where people are financially stable to buy our products easily so these are some terminologies we follow for demands and supply or needs and wants.