



Q1. What is the difference between microeconomics and macroeconomics?

Ans:

Points of Difference	Microeconomics	Macroeconomics
Definition	It is a branch of economics that studies the economic variables at an individual level like the households, the firms, the consumers etc.	It is a branch of economics that studies the economic variables of an economy as a whole.
Deals with	It deals with how consumers or the producers make decisions depending on their given budget and other variables.	It deals with how different economic sectors like households, industries and other government and foreign sectors make their decisions.
Method	The method of partial equilibrium (i.e. equilibrium in one market) is used.	The method of general equilibrium (i.e. equilibrium in all the markets, simultaneously) is used.
Variables	The major variables involved are price, consumer's demand, wages, rent, profit, firm's revenue, cost, etc.	The major variables involved are aggregate demand, aggregate supply, inflation, unemployment, poverty, etc.

Theories	<p>Various theories studied are:</p> <ol style="list-style-type: none"> 1.Theory of Consumer's Behaviour and Demand 2. Theory of Producer's Behaviour and Supply 3. Theory of price Determination under different market conditions 	<p>Various theories studied are</p> <ol style="list-style-type: none"> 1. Theory of National Income 2. Theory of Money 3. Theory of General Price level 4. Theory of Employment 5. Theory of International trade
Popularized by	Alfred Marshal	Keynes

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