EITI (Economics of IT Industry) :-

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Introduction :-

Industry Economic is the study of firms (company), industries and markets.

It is a distinctive branch of economic which deals with economic problems of the firms and industries and their relationship with the society

It looks at firms of all sizes from the local corner grocery shop to the multinational giants, such as WALMART, TESCO,

TESCO CEO - Sumit Mitra
and also consider a range of industries such as electocity generation, restaurant car production, two name a few.

MICRO Economics :-

Micro economic focuses on choices made by individual customers as well as small businesses conserning cost fluactuation of goods and services in an the economics

It covers aspects such as :

- Demand and supply of goods in different market places.

- Consumer Behaviour ask an individual or group
- Demand for service and labour, including individual labour markets, demand, and determinants like the wage of an employ

aggregate -

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Difference between MICRO AND MACRO Economy.

MICRO Economy	MACRO Economy
① Micro economy studies individual market units.	① Macro economy studies a Nation's economy as well as its various factors. (aggregates)
② Micro economy primarily deals with individual income, output, ~~tres~~ price of goods etc.	② Macro economy is studied about of aggregate such as national Output, income as well as general price level
③ Micro economy focuses on over coming issues concerning allocation of resources and price ~~description~~ discrimination	③ Macro economy focuses on upholding issue like un-employment and national household income.
④ Micro economy accounts a factor	④ Macro economy accounts for

like a ~~fe~~ demand and supply of a particular commodity. (products/ goods).	aggregate demand and supply of a nation's economy.
(5) Micro economy offers a picture of the goods and services that are required for an efficient economy. It also shows that goods and services may grow in demand in the future.	(5) Macro economics helps to ensure optimum utilization of the resource a variable to the country.
(6) Micro economics helps to point out how equilibrum can be achieve in a small scale	(6) Macro ecomics help to determine the equilibrum levels of employment and the income of the nation

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Law of Demand and Supply :-

Law of Demand and Supply refers to one of the core concept in ecormoics explaining the relationship between the demand supply and price of a particular commodity and services.

Law of Supply :-
Law of supply states that when price increases supply also increases. The direct relationship between price and supply it wreates an upward shoping supply curve

To reinstate
① When demand increases and supply remains the same:
In a commpetotive market this will cause an increase in the price. The shortage of product increases the value of product.

② Demand decreases and supply remains the same:
In this case the price reduces. If the demand continue to decline their will be a surpluse of the product in the market subsequently dampening the product value.

③ Supply increases and demand remain unchanged :
The easy availability of a product causes a decrease or decline in its price manifasting and over supply scenario. If the demand remain change for low.

④ Supply decreases and demand remain unchanged :
When supply decreases and their is no increase or decrease in demand the price will increase.

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Elasticity of Demand :-
Concept of Elasticity :-
Elasticity is the concept of that economic that talks about, the effect of change the one economic variable on the other.

There are several factors that affects the quatity demands for a product such as.
1. The price of the product
2. Price of related commodities/product
3. Income level of customers

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Elasticity of Demand or Demand elasticity is the measure of change in quantity demanded of a product in responde to a change in any economic market variable.

Types of Elasticity of Demand :-

On the basis of different factors affecting the quantity demanded for a product elasticity of the demand is categorized into three main types

① Price Elasticity of Demand (PED)
② Income Elasticity of Demand (IED)
③ Cross Elasticity of Demand (XED)

① Price Elasticity of Demand :-

Any change in the price of a commodity whether it is decrease or an increase, affects the quantity demanded for a product.

for ex :- When there is a rise in the price of ceiling fans the quantity demanded goes down.

This measure of respondeveness of quantity demanded when there is a change in price, is term as the price Elasticity of Demand (PED).

inflation :- a general rise in price
oligopoly :- Many competators.

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② Income Elasticity of Demand (IED) :-
The income levels of ~~cumers~~ consumers play an important role in the quantity demanded on the product.

This can be understood by looking at differente in goods sold in the ruler market versess goods sold in metro city.

The income elasticity of Demands refers to the sensitivity of quantity demanded for a certain commodity to a change in real income of the consumers to buy this commodity keeping all the other variable constants.

③ Cross Elasticity of Demand (XED) :-
In a market where there is a oligopoly multiple players compete does the quantity demanded for a product does not depend on itself alone but rather there is an effect even well prices of other goods changed.

Cross Elasticity of demand is represented by XED because it is a concept that measures the sensetiveness of quantity demanded of one good (x) when there is change in price of another good.

Types of Elasticity of Demand :-

(1). ~~Pe The two~~
The two main factor are directly responsible for market condition price and demand. Depending upon various conditions of the market elasticity of demand can be further classify as under.

① perfectly Elastic Demand :-
Small change in price and major change in demand.

Example :- Gold.

② Perfectly Inelastic Demand :-
No change in demand even with change in price.

Example :- petrol, oil, water.

③ Relatively Elastic Demand :-
The proportionate change in demand is greater than change in price

Example :- vehicle.

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④ Relatively Inelastic Demand :-
The proportionate change in demand is less than the change in price.

Example :- Branded car

Deflation :-
Deflation refers to a situation ~~where there~~ is when the inflation rate falls below 0%. There is a decline in general price levels.

~~Ch~~ characteristic of Deflation :-

① Deflation increases a real value of money and allows a person to buy more goods with the same amount of money, over a period of time.

② Deflation can occur owing to reduction supply of money or credit

③ Deflation increases unemployment in an economy

④ Deflation is an indication that economic conditions are deteriorating in an economy.
nation / country.

Causes of Deflation :-

- Increased productivity
- Decrease in currency supply.
- ~~Increase~~ Reduction in government expenditure
- Deflationary spiral

Effects of Deflation :-

- Reduced Business Revenues
- Wage cut backs and unemployments
- changes in customer behaviour in spending
- Reduced stake in Investments.
- Reduced credit.

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Recession :-

Recession is a widespread, significant, & prolonged downtwin of economy activity.
During a recession the economy of a country is sliding and the GDP of (Gross Domestic Product) is low.

Industrial production and bussiness activity are on the lower end.

Most important of all is unemployment

among people. When the performance of a country loses its grip over the period of two quarters (6 Months) recession sets in the 3 main sectors of an economy viz. Agricultural sector, Manifacturing Sector and service sector enter into low productivity status and the net out come gets slided.

The Main reasons for recession are
1. continuing Deflation.
2. Excess investment in a part of a government to
3. Low economy activities during deflation
4. fluctuating market condition.

The Negative impacts of Recession
1. Lay offs leading to unemployment.
2. Demand for good & services reduces
3. purchasing power goes down.
4. Industries do not commit on any further investments.
5. Industrialists do not generate additional employment b/c they know that country is going recession
6. The Entire process of a industralization is badly affected.

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S.No	characteristics	Recession	Deflation
1.	Definition	Refers to a noticeable decline in economic activity leading to unemployment and is spread over a span of two consecutive quarters.	Refers to a situation where products are more in the market and available cast remains constant. Though there is decline in price there are less buyers and takers.
2.	Measure	It is measure by the GDP of a country	Deflation is measure by decrease in consumer price intakes.
3.	Onset	Recession occur just after the peak economic activities of a country comes to a standstill (stop)	Deflation occurs with decline prices and constant money with a consumer.

Sarthrupa

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Role of IT Industry in the Growth of Economy :-

The Information Technology sectors includes major tech companies like Wipro, Infosys, TATA, Reliance etc, Higher young professional in large numbers. they offer services like ITES (IT Enabled services). IT-services, software-products, e-commerce facilities etc.

In the past decate a role of internet and computer has grown manifold in our lifes. Most people consumes IT services in some form or other

Significance of IT industry :-

① IT based services are vital for any organization to increase productivity and may bussiness process flow easy.

② The IT industry has not only impacted the economic growth india but also it has made the government more accessable and completent.

③ Information Technology has made government related services and

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information easier and unexpensive ex.(Aadhar card, pan card).

(4) IT has made management and deliver of government services like health care services education consumer rights etc.

(5) IT industry involves in online bussiness (e-commerce) and is also instrumental in developing the software for malls, store, hostipal, school, colleges etc. Necessary for bussiness operations.

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Capital Intensive and Labour Intensive

Introduction:

It is refer to the types of production method used in the production of goods and services while the capital intensive industry is more expensive and requires a higher capital investment, labour intensive production requires more labouror input and requires higher investment in training and educating the employees.

Labour Intensive Industry :-

Just as the name suggest Labour intensive industry make use of more and more labourers less use of captical, equipment and machinery.

Characteristics features of labour intensive industry

① In labour intensive industry the degree of automation is less and manual labour is more.

② Labour intensive industries generate more employement opportunties and makes place for both educated and and the uneducated.

③ Labour intensive industry are always short of captical to meet daily needs as a result of which they do not have sufficient capital to deploy high end technologies and equipments.

④ Labour intensive industry requires a lot of support and incentive from the state central and local governments. so that they can with - stands the compentitions manage there survival successfully.

(5) Examples of Labour Intensive Industry are construction sites, vegetable seller, fruit seller, tailors, and all small scale industries.

Capital Intensive Industry :-

Capital Intensive Industry on the other hand are those which make use of more and more money, high end technology, tools and equipments and thus replaces man power.

characteristic features of captical Intensive Industry :-

(1) This industry refers to the kind of production that requires high captial investment such as finincal resources, sophisticated machinery, more automated machines, modem equipments etc.

(2) captial Intensive Industry pose higher barriers to entry as they require higher investment to reduce goods and services.

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(3) In this industry the amount of captial require is much more than the amount of labour require.

(4) Captial Intensive Industry do not generate employment opportunities even for highly skilled man power.

(5) This industry resort to technology tie-ups, technology collaborations and business operations to import the best of technology from the around the world which is costly affect.

(6) Examples of capital Intensive Industry Robotics manufacturing, intelligence AI and all the giant-tech industries

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Digital Age Digital Economy.

Digital Age:-

The Digital Age also called as Information Age is defined as the time period starting in the 1970's with the Introduction of computers with subsequence technology providing the ability to transform information freely and quickly.

The Digital Age is thus the period in which digital change erud through digital transformationhas progress so far that digital technology have a real influence people's lives.

The Impact of Digital Age on Human lives :-

This generation and the next are all born truly 'DIGITALLY NATIVE' for them the internet is a background utility, noticeable only when it is absent Smart phones and smart Apps works encompass every part of our lives seamlessly and effortlessly. we are forced to ~~avoid~~ abide by a rules and regulations of technology life in the digitical age is more information-driven with data becoming more valuable than basic necessities

Digital Economy :-