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* Introduction :→

1. Industry economic is the study of firms (company), Industries and markets.
2. It is a distinctive branch of economics which deals with economic problems of the firms and industries and their relationship with the society.
3. It looks at firms of all sizes from the ~~street~~ 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 electricity generation, resturances, car-production, two name a few.

* Micro Economics :→

micro economics focuses on choices made by individual customer as well as small bussiness conserning cost fluctuation of good and services in an economics.

- Demand and supply of goods in different market places
- consumer Behaviour are an individual or group demand for service and labour. Including individual labour markets, demand and determinance like the wage of an employee.

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* Difference:

micro economics	macro economics
① micro economics studies individual market units.	macro economics studies a nation's economics as well as its various factor (aggregates.
② micro economics primarily deals with individual income, output, price of goods & etc..	macro economics is a study of aggregates such as national outcome, income as well as general price levels.
③ micro economics focuses on overcoming issues concerning allocation of resources and price discrimination	macro economics focuses on upholding issues like unemployement and national household income.
④ micro economics accounts for factors like demand and supply of a particular commodity (goods, products)	macro economics accounts for the aggregate demand and supply of nation's economics.

(5) micro economy offers a picture of the goods & services that are required for an efficient economy. It also shows that goods and services may grow in demand in the future	macro economics helps to ensure optimal utilization of resources available for the country.
(6) micro economics helps to point out how equilibrium can be archive in the small scale	macro economics helps to determine the equilibrium level of employment and income of nation.

* law of demand and supply :→

The law of demand and supply refers to one of the core concepts of economics explaining relationship between Demand, Supply and price of a particular commodity and services,

price increase , deman

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Law of supply states that when the price increases, supply also increases. The direct relationship betn price and supply it creates an upward sloping supply curve.

* To reinsure :

case 1. when demand increases and supply remain same :-

In the competitive market this will cause an increase in price. The shortage of product increased the value of the product

2. Demand decreases and Supply remain the same :-

In this case, the price reduces. If the demand continues to decline there will be a surplus of the product in the market subsequently dampening the product value.

3. Supply increases and demand remain unsame :-

The easy availability of the product causes the decrease in the price, manifesting and over supply scenario. If the ~~demain~~ deman remains unsame for long

4. Supply decrease and demand remain unchanged:—

When supply decreases and there is no increase or decrease in demand the price will increase.

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* Elasticity of demand :→

Concept of Elasticity:

Elasticity is concept in economics that talks about effect of changes in one economic variable on the other variable. There are several factors that effect the quantity demanded for a product such as;

i) price of the product / commodity
ii) price of related products / commodity
iii) Income level of customer / consumers

Elasticity of demand or demand elasticity is the measure of change in quantity demanded for a product in responds to a change in any market economic variable.

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Types of elasticity of demand :

On the basis of different factors effecting the quantity demanded for product, elasticity of demand is categorized into 3 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 weather it's a decrease or increase effect the quantity demanded for product.

For ex : when there is a rise in the price of ceiling fans the quantity demanded goes down.

This measure of ~~responsiveness~~ responsiveness of quantity demanded when there is a change in price, is termed as the PED.

2. Income elasticity of demand :

The income levels of consumer play an imp. role in the quantity of a product this can be understood by looking at the difference in goods sold in the rural market verses goods sold in metro cities recession = lay off

oligopoly = more competitor

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The income elasticity of demand refers to the sentivity of quantity demanded for a certain commodity to a change in real income of the consumer who buy this commodity keeping all the other variables constant.

3. Cross elasticity of demand :

In a market where there is an oligopoly multiple players compete does the quantity demanded for a product does not depend on it self along but rather there is an effect even when prices of other goods change.

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

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* Types of elasticity of demand:

The two main factors which are directly responsible for market conditions are price and demand. Depending upon various conditions of the market elasticity of demand can be further classified as under.

① Perfectly elastic Demand:

Small change in price and major change in demand.

for ex.

a small change in price of gold leads to increase in buying rates.

② perfectly inelastic demand:

No change in demand with change in price.

for ex. consuming of daily edible oil or petrol.

③ Relatively elastic Demand:

The proportionate change in demand is greater than change in price.

for ex. Ev vehicles.

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(4) Relatively inelastic Demand:
The proportionate change in demand is less than change in price.
for ex. Luxury or branded products.

* Deflation: →
Deflation refers to the situation when the inflation rates falls below zero percent.
There is a decline in general price levels.

* characteristics of deflations:
- Deflation increases the real value of money and allows a person to buy more goods with the same amount of money, over a period of time.
- Deflation can occur owing to reduction in supply of money or credit.
- Deflation increases unemployment in an economy.
- Deflation is an indication that economic conditions are deteriorating in an economy.

* Causes of Deflation: →
- Increased productivity
- Decrease in currency supply
- Reduction in government expenditure.
- Deflationary spiral.

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* Effect of Deflation :-

- Reduced business revenues
- wage cutbacks and unemployments
- changes in customer behaviour spending
- Reduced scale in investment.
- Reduced credit.

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* Recession :→

Recession is a widespread, significant, and prolonged downturn of economic activities. During recession period, the economy of the country is sliding and the GDP (Gross domestic product) is low. Industrial production and business activity are on the lower end. The most important of all is unemployment among people. When the performance of the country looses its grip over a period of two quaters (6 months) recession sets in. The three main sectors of an economy such as viz agricultural sector, manufacturing sector and service sector enter into low productivity status and the net outcome gets sided. ~~The~~ ~~one~~

The main reasons for recessions are :

1. Continuing deflation
2. excess investment from government
3. low economic activies deflation
4. Fluctuating market condition.

The negative impacts of the recessions

1. Lay-offs leading to unemployment.
2. Demand for goods and services reduces

purchasing power goes down.

(4) Industry do not commit on any further investments.

(5) Industrialist do not generate additional employment because they know that the country is undergo ~~a~~ recession.

(6) The entire process of industrialization gets badly affected.

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characteristic	Recessions	Deflations
Definition :	Refers to a noticeable decline in economy 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 cash remains constant. Though their is decline in price there are less buyers and sellers
measure :	It is measured by Gross domestic product (GDP) of the country	Deflation is measured by a decreased in the consumer price intakes.
onset : (begining)	Occurs just after peak economic activities of the country comes to a standstill (stop).	Deflation occurs with decline in prices & constant money with the consumers.

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* Roles of IT Industry in the Growth of Economy:→

The information technology sector includes major Tech companies like the wipro, infosys, TATA, Reliance and etc.. hire young professions in large numbers. They offer services like ITES (IT Enabled services), IT services, software product, e-commerce facilities and etc.

In the past decade, the role of internet & computer has grown manifolds in our life. most people consume IT services in some form ~~or~~ or the other.

Significance of IT industry:

(1) IT-based services are vital for any organization to increase productivity and make business process flow easily.

(2) The IT industry has not only impacted the economic growth of India but also it has made the government more accessible and competent.

(3) IT has made government related services and information easier and inexpensive.

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(4) IT has made management and delivery of government services. ex. government hospital services like heathcare services, education, consumer rights and etc.

(5) The IT industry involves in online business (e-commerce) and is also instrumental in development the s/w for mall, stores, hospital, school, colleges & etc. necessary for business operations.

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* Digital Age.
Digital Economy :

* Digital Age :—

The digital age also used as information age, this defined as the time period starting in the 1970's with the introduction of personal computer with subsequent technology providing the ability to transfer the information freely and quickly.

The digital age is thus the period in which digital change through digital transformation has progressed so far that digital technologies have a real influence on peoples life.

* The impact of digital age on human life :-

This generation and the next are born truly 'DIGITALLY NATIVE'. For them the internet is a background utility, noticeable only when it is absent or missing. Smart homes and smart apps work an encompass very part of our life seamlessly and effortlessly. We are forced to abiede by the rules and ~~tech~~ regulation of the technology. Life in the digital age is more information - driven with data becoming more valuable than basic necessities.

* Digital Economy :→

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Questions :→

Ques. 1 State the law of demand and explain various factors on which demand depends.

Ques. 2 What do you understand by Deflation ? What is its impact on deflation on economy.

Answers :→

Ans. 1 : (1) The law of demand refers to one of the core concept of economics explaining the relationship between demand, price and supply of particular commodities and services.

(2) When prices of goods and services are more the demand for them is less.

(3) Conversely when the prices of goods and services are less the demand for them is high.

- Factors on which demand depends are :

(1) Product cost :

Demand of the product changes as per the changes in the prices of commodities. People deciding to buy a product remain the same only if all the factors related remains unchanged.

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(2) The income of the consumers :-

when the income increases the number of goods demanded also increases. Likewise if the income decreases the demand also decreases.

(3) Cost of related goods and services :-

The increase in cost of one commodity will decrease the demand for another product or commodity. ~~or~~ ~~&~~ which is related.

(4) Consumer Expectation :-

High expectation of income ~~or~~ expectation in the increase in the price of the good also leads to increased in demand similarly, low expectation of income ~~and~~ or low prices of product or good will leads to decrease in demand.

(5) Buyers in the market :-

If the number of buyers for the commodity are more or less the same then their will be a ~~more~~ shift in demand.

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b) High rate of taxes :-

Since the government runs out of money, they tries to levy more taxes from the common man.

For example :

They increase the interest rates of home loan, vehicles loans, FD's and RD's

c) Costly Finances :-

On the whole, ~~[illegible]~~ financial funding agencies increased their interest rate that it becomes difficult to people to cope with the imbalance in the financial equilibrium.

d) High unemployment :

Deflation is synonymous ~~of~~ ~~[illegible]~~ with unemployment. The first sign of deflation is lay offs and unemployment in the all three sectors. Viz. ~~[illegible]~~ agricultural sector, IT-sector, service sector

e) High Inflation :-

Deflation is just the opposite of inflation. Inflation with the advent (coming) of increase in supply and goods deflation sets in. High inflation with no

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change in monitoring status in the common man's pocket impacts the economy directly.

Good

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