

# What is Economics?

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Different people do different kinds of work. For example; someone is a farmer they grow food, someone is a computer engineer they make computers, someone is a doctor they cure diseases. All humans do different jobs, they make different things; but in the end what everyone wants?

Basically it's... just... MONEY.

Why?

We can understand this by assuming a situation – 'no one takes money'.

Let's see what happens when a farmer goes to buy a computer... what will farmer offer to the computer seller? "Give me a computer I will give you 10bags of wheat!"

Another example, the doctor goes to the computer shop... "Give me a computer I will cure your diseases!"

Does it work!

Nope.

Now let's assume... in the same situations – 'everyone takes **money**'.

- The farmer goes to the computer shop and says "give me a computer and I will give you **money**".
- The doctor goes to the computer shop and says "I am a doctor give me a computer and I will give you **money**".

Does it work?

**Yeah!**

Why?

Why it works with money easily but not with other things?

Money is simple and easy!

- Simple and easy to pay (transfer from one person to another).
- Simple and easy to measure.
- Simple and easy to hold for future (wheat may become useless after a year but money remains useful).

**Over thousands of years**, humans have **worked hard** to create a **very easy money system**. This system is called as **Economics**.

Before we understand economics... lets first understand what a system means?

**System** means a big setup. This setup is very complex and expensive. But when we use this system, it is cheaper and easy to use.

**Using money is very easy. But it is not so easy to run the money system.**

The government of each country is responsible for creating and running a strong money system. If they fail, the money system fails.

**What is Economics?**

Economics is the **knowledge** of running the money system and other similar big systems.

Some examples of systems run by Economics:

- Bank and Loans System
- Commodity Price System
- Wages Price System
- Minerals and Raw Materials Price System
- Export and Import Prices System
- Share and Stocks Market System
- Currency Price and International Money System

Without economics, no country can either create or run a strong money system.

If countries are careless, the money system starts developing serious problems and these problems do not become visible until it is too late.

It may be extremely painful to run the country without Economics.

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