

# First econ

Business



Economics Introduction The term economics is used to refer to the study of changes in human behavior as a response to management of resources that are limited in nature and can be used in different ways in order to attain certain aims and objectives. Economic principles are not only applied in the business world, they are even applied in various situations that individuals experience in their routine life. This writing will focus on two different principle of the study of economics and how these principles play a role in the lives of an individual. The two principles that will be used for this writing includes opportunity cost and demand/supply.

### Body

The term opportunity cost in the study of economics is used to refer to the cost associated with the next best option given up (Siebert 163). This means that while making a decision of whether to buy or consumer product A or product B, individuals end up facing a cost when they give up the benefits that they may have gained from consuming product A if they had forgone product A and consumed product B. These costs can include both monetary as well as psychological costs. I experience the application of opportunity cost in my daily life when I have to choose between two things at the same time. For example: I face the issue of opportunity cost when I have to select between studies and my favorite sports of cricket. If I study I face the cost of enjoying the most favorite sport in my life and the physical and health benefits that I may derive from playing sports. On the other hand if I play sports, I give up the benefits of scoring high grades at my educational institute and even may end up failing which will result in monetary losses.

The concept of demand and supply in the study of economics state that when the price for a particular good as well as service is high, it is most likely

less in demand and when the price of a particular good or service is high it is most likely more in supply and vice-versa. I have experienced the application of the concept of demand and supply in relation to my hobby of playing cricket. When the prices of cricket bats are on the lower side I am most likely going to buy them but when I go to buy them there are very few bats that may seem attractive, while when the prices are higher I see more and more cricket bats on the shelves and they attract me a lot but I fail to purchase them since they are highly prices.

#### Conclusion

Various economic concepts apply to our daily lives. The concept of opportunity cost is applied in my life when I have to select between studying and playing my favorite sport which is cricket. The concept of demand and supply is witnessed by me in the case of prices of cricket bats that are used to play cricket.

#### Works Cited

Siebert, Horst. Economics Of The Environment. 1st ed. London: Springer, 2008. Print.