

# Economics overview

[Business](#)



Economics Overview While to many economics appears like a discipline removed from the on-goings of everyday existence, in reality it underlines nearly all forms of modern social organization. One of the most prominent economic principles that humans regularly experience is the force of supply and demand. Supply and demand is the understanding that prices are proportional based on their supply and demand (" Economics basics: Demand," 2011). Everyday citizens experience supply and demand through rising and declining gas prices. While there is a number of factors that contribute to these shifts one of the most prominent is limited supply determined by overseas, oftentimes-unstable Middle Eastern, suppliers. Another prominent economic principle that applies to humans' daily lives is that of consumer surplus. While supply and demand measures shifting prices, consumer surplus measures the surplus gained by consumers between the cost of buying an item and what they would otherwise be willing to pay. Consumer surplus occurs in all areas where goods are readily sold for discounts. Perhaps the most prominent example occurs at grocery stores where individuals enter the store with a set list and find that many of the items on the list have been discounted by the store. Still, another economic principle that occurs in humans' daily lives is that of market efficiency. Market efficiency measures the degree to which stock prices reflect all available information (" Market efficiency," 2011). This is a prominent consideration when individuals invest in the stock market as it indicates that because of the efficiency of the markets investors will not be able to significantly capitalize on information as a means of profiting as the market almost immediately reflects all available information.

#### References

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