

# Some thoughts of the article

[Literature](#), [Russian Literature](#)



Some Thoughts of the Article Some Thoughts of the Article The Article entails some fundamental aspects of macro and micro economics. Whereby, macro economics refers to a branch of economics that deals with the study of aggregate behavior of an entire economy. Whereby, issues such as unemployment, price changes, National income, gross national product, growth rate and inflation issues are scrutinized. However, inflation and unemployment issues tend to be more critical due to their adverse impact in an economy. Inflation entails a persistent rise in services and commodity prices while unemployment is an economic situation where people who are willing and able to work can't find a job. Therefore, to address these problems, government should utilize tools for monetary and fiscal policy. Monetary policy tool entails utilization of discount rates and reserve requirements to control inflation and stabilize the economy. On the contrary, fiscal policy tool entails application of taxes as well as control of government expenditure to achieve certain economic goals (Taylor & Weerapana, 2008).

On the contrary, Micro economics refers to a branch of economics that involves the study of decisions made by individuals and firms regarding the scarce resource. Whereby, in micro economics, consumers aim to maximize their utility despite having scarce resources while firms aim to maximize their profits while at the same time minimizing their cost. However, due to limited resources, both firms and individuals experience opportunity cost. Whereby, they have to decide the best alternatives to forgo given the fact that resources are limited (Mankiw, 2011). Normally, in micro economics, the prices of goods and services are determined by market forces of supply and demand as well as government regulations. Therefore, both individuals and

firms should take into consideration the issues of tax and government regulations when making their decisions (Chandra, 2005).

#### References

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Mankiw, N. G. (2011). *Principles of economics*. Mason, Ohio: Thomson South-Western.

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