

B.A PART 1

MACRO ECONOMICS

ECONOMIC AND NON ECONOMIC ACTIVITY

Meaning of Economic and Non-Economic Activities

Economics is a social science which deals with the production, distribution and consumption of goods and services. It is the study of how individuals, businesses, governments and countries make choices on allocating resources to motivate their needs and wants and attempt to determine how these categories should gather and correlate attempts to attain maximum output. Economic analysis certainly advances through analytical procedures, like mathematical logic, where the conjectures of different human activities are envisaged in a “means-ends” structure.

What are the Economic Activities?

Economic activity is an activity of providing, making, buying or selling commodities or services by people to

satisfy day-to-day needs of life. Any activity that includes manufacturing, distributing or utilising products or services.

In fact, whatever that involves money or the exchange of products or services are economic activities. The three types of economic activities are.

- Business – This economic activity provides goods and services to satisfy human needs on a daily basis with the aim of earning profits.
- Profession – It can also be defined as an occupation or a professional job that offers specialized services in return for professional charges.
- Employment – The activity is based on a contract between the company and the employee. Here, the employee performs duties for the company, and are paid(wages or salary) in return

Features of Economic activities

- Earning motive

- Utility creation
- Satisfaction
- Measurement

What are the Non-Economic Activities?

Non-economic activity is an activity performed with the purpose of rendering services to others without any consideration to financial gain. Those activities which are initiated for personal content or to meet human sentiments are non-economic activities.

Some common examples of non-economic activities are.

- Free -Time Activities – Its only aims at acquiring pleasure in idle time. For instance, painting and signing etc.
- Family-Commitment Activities – This activity is dedicated and inspired by family. For example, a teacher education to her/his own child at home and a doctor consulting his family etc.
- Cultural and Religious Activities – The activity includes happiness and mental. Example, e.g. worshipping God and visiting the temple etc.
- Social Welfare Activities – It is based on a passionate feeling of helping or sympathizing towards others. Such as a donation to underprivileged, participation

on relief camp to help people affected by war, natural calamities etc.

Features of Non- Economic Activities

- Service motive
- Self-satisfaction
- Non-measured in money
- Social obligation