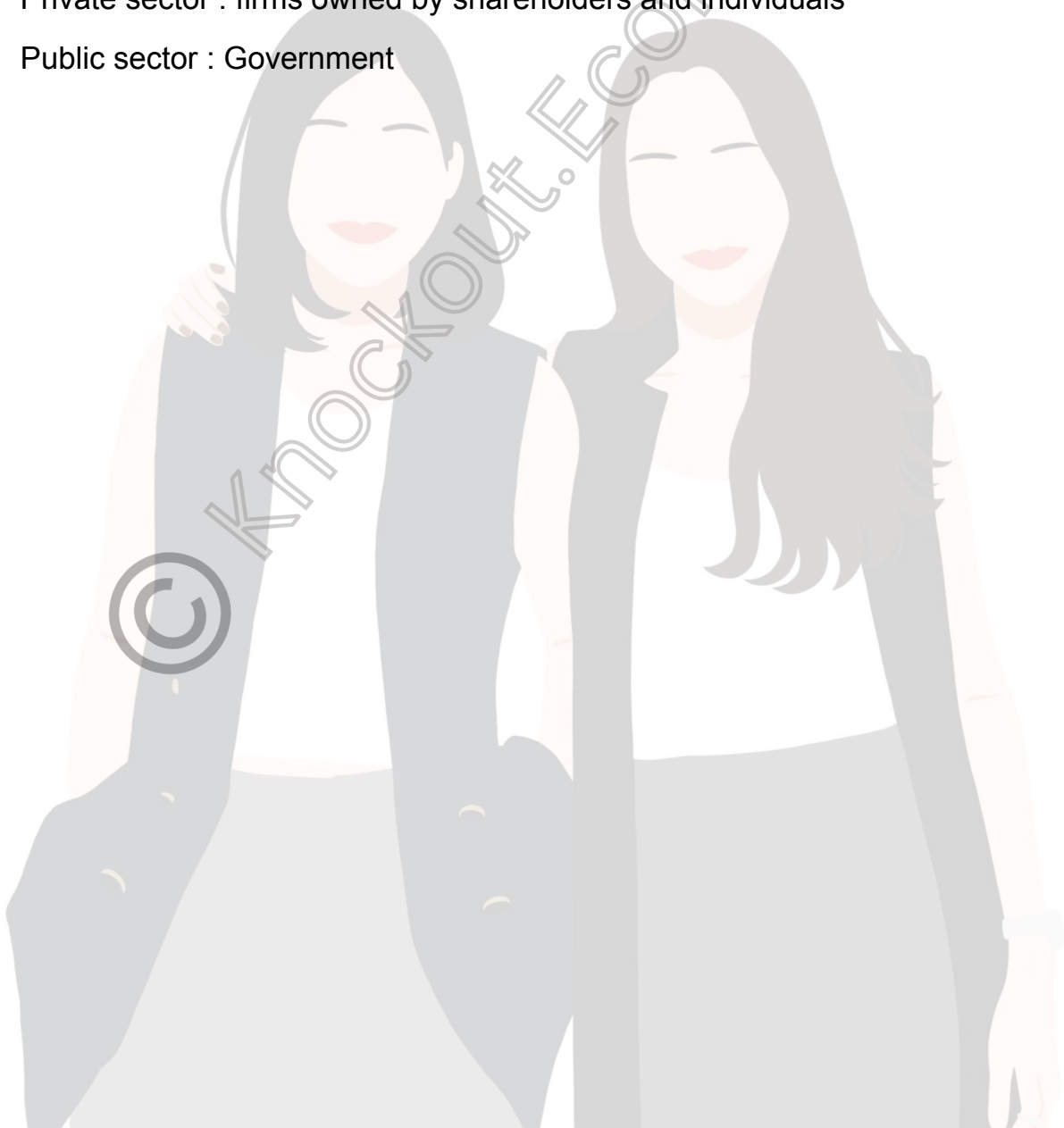


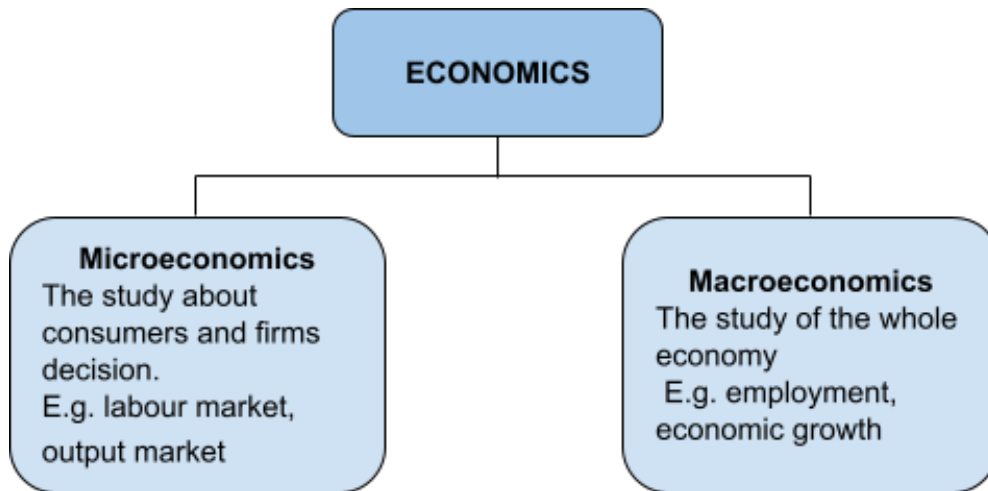
## CHAPTER 5 : MICROECONOMICS AND MACROECONOMICS

### Key terms

1. Microeconomics : the study of the behaviour and decisions of household and firms and the performance of individual markets
2. Macroeconomics: the study of the whole economy
3. Market : an arrangement which brings buyers into contact with sellers
4. Economic agents: those who undertake economic activities and make economic decisions
5. Private sector : firms owned by shareholders and individuals
6. Public sector : Government



## 1. The difference between microeconomics and macroeconomics



## 2. Decision makers in microeconomics and macroeconomics

Private sectors	Public sectors
<b>Owner :</b> firms owned by shareholders and individuals	<b>Owner :</b> Government
<b>Characteristics :</b> ⇒ Firms aim for profit maximization. ⇒ Households or consumers aim for cheap and high-quality products.	<b>Characteristics :</b> ⇒ Government aims for social welfare maximization and a strong economy.