

1 The nature of economics

Economics as a social science: inability to conduct scientific experiments.

Economics is a social science.

- define problem to be investigated
- Put forward a theory
- Investigate the theory
- Accept or reject the theory

Assumption in Economics

1. **Ceteris paribus assumption** ; any other factors remain unchanged.

↳ To derive demand schedule q on price can be changed, and any other factors remain the same e.g. Income and taste

