

## **SATPREP**

### **Topic : Economics, Human Wants and Scarcity**

#### ***What is economics?***

Economics is the study or principle according to which money, business or industries are organized.

#### ***What is scarcity?***

Scarcity is a situation where there is not enough resources to satisfy human wants.

Eg. In India, there are not enough resources to feed everyone.

#### ***What are Human Wants?***

Human wants are unlimited. Whenever a want is fulfilled, it gives a growth which results in desire to get more.

Eg. Poor people want to get food and clothing. Once they get it, they try to build houses for themselves. Rich people want to get richer.

#### ***Why scarcity is endless in nature?***

Scarcity is never fulfilled because resources are never enough to fulfil limitless wants. If one fulfil his/her want, the growth allows him/her to desire for more which gets transformed into want over a period of time. Now the new want creates new scarcity. Therefore, one can say scarcity is endless in nature.

Eg. Increasing use of data worldwide.

#### ***Why economic problem arises?***

Scarcity is the reason behind economic problem. Human wants are infinite. Unlimited wants exceed scarce resources. Once fulfilled, there is demand for another kind or more resources.

Eg. People's basic need is to get shelter, food and clothing. Once achieved, there will be demand for better clothing and health care.

#### ***What is the proof of existence of scarcity?***

People always have to choose between options given like which product to buy, which crop to grow, which job to opt etc. One has to choose between products because income is scarce, select between crops because land is scarce, and one cannot do two jobs together because of time limitations.