

Difference Between Economics, Economy, Economic and Economical

The terms, economics, economy, economic and economical are inter-related to each other yet have diverging factors between them.

Economics is a social science that deals with the production, distribution and consumption of goods and services.

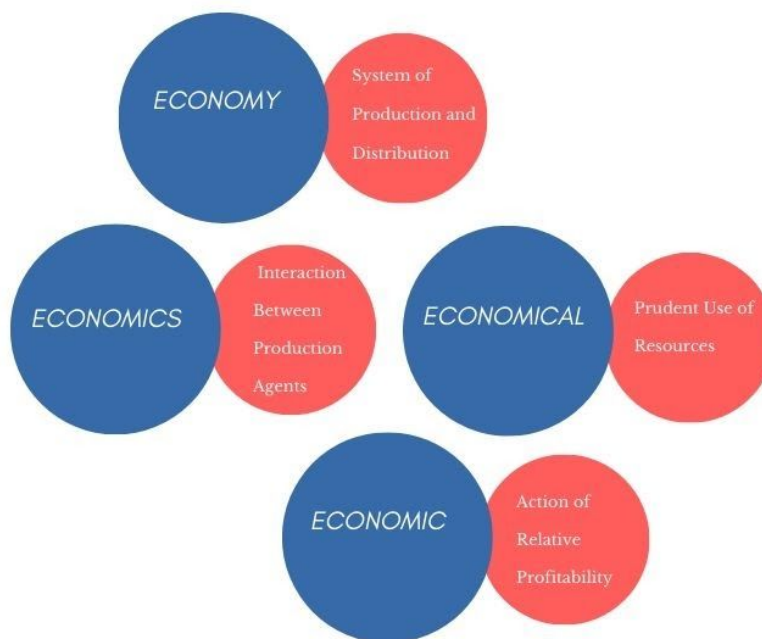
*Economics (Indian Economy) is an optional subject in the UPSC Mains Examination.

The term 'Economy' is defined as a social domain stresses the importance of practices, discourses associated with the production, use, and management of resources.

Economic is used to denote an object or an action that is justified in terms of profitability

Economical on the other hand means giving a reasonable value in relation to time, money and effort spent.

DIFFERENCE BETWEEN ECONOMY, ECONOMICS, ECONOMIC AND ECONOMICAL



The difference between the four terms will be highlighted in this article, which will be useful in the IAS Exam.

How are Economics, Economy, Economic and Economical different from each other?

The main differences between Economics, Economy, Economic and Economical are detailed below:

Economics:

- Economics focuses on the actions and interplays of economic agents. In other words, it lays a singular focus on economic factors.
- Economics is further divided into Microeconomics and Macroeconomics
- Microeconomics analyzes basic elements in an economy such as individual agents, household, firms, buyers and sellers.

- Macroeconomics is the study of the economy as a whole where the systems of production, consumption, savings and investment interact and what this interaction may mean for the economy as a whole.
- Economic analysis has its practical applications in the realm of real estate, businesses finance and health care. They even find uses in the environment, social institutions, war and science.
- Writings about economics, in general, can be found in writings of ancient civilisations such as Greek, Indus Valley Civilization, Roman Empire etc. But modern economics as we know it lies in the works of Scottish economist Adam Smith (16 June, 1723 – 17 July 1790)

Economy

- An economy is an area of the production, consumption, distribution and trade of goods and services by different economic agents. In the broadest sense, the economy is defined as a social domain that lays stress practices and discourse associated with the production and management of resources.
- In an economy, activity is spurred by production which uses natural resources, labour and capital. The modes of production evolve as along with the technology used.
- The economy is divided into a market-based economy, command based-economy and green economy
- A market-based economy is one where goods and services are produced in accordance with demand and supply between participants by barter or an accepted medium of exchange with a credit or debit value
- A command-based economy is the one where political actions and agents impact the economy. In this economy what must be produced and how it will be sold is decided beforehand by government authorities.
- A green economy is where growth in income and development is driven by public and private investments that reduce carbon emissions and mitigate causes of biodiversity loss

Economic

The word 'economic' is used to denote any action or object which is relatively profitable to the party involved. It is also used where there is any form of transaction, monetary or otherwise is involved. The word first appeared in the late 19th century, initially referring to the practice of household management.

An example of the usage of this term can be as follows:

In terms of ***economic*** prowess, India is ahead of a vast majority of the nations of the world.

Economical

Economical is defined as the wise and prudent use of resources with little or no wastage of resources allocated. It implies precision planning and disposition use of resources to avoid any wastage of resources. The word first appeared in the late 16th century and initially meant managing household management but now its meaning has evolved to being 'not wasteful' today

An example of how the term is used is highlighted below:

Tesla cars are more **economical** than conventional petrol-based cars that usually run on the roads