[Glossary]

Basic Concepts of Microeconomics

Subject:	Business Economics
Course:	B. A. (Hons.), 1st Semester, Undergraduate
Paper No. & Title:	Paper – 101 Microeconomics – I
Unit No. & Title:	Unit – 1 Basic Concepts
Lecture No. & Title:	Lecture – 1 Basic Concepts of Microeconomics

Glossary

Average Revenue – It is the per unit price of the output; in other words, it is total revenue divided by number of units of output

Constant – Something that cannot vary or change, it remains fixed

Deductive Method – Methodology that flows from universal to particular, in other words, it uses the already established laws and axioms to describe an individual event or happening

Elasticity – Price elasticity of demand is the percentage change in quantity demanded due to percentage in price

Growth Rate – It is percentage change in the value of a variable over time

Inductive Method – Methodology that flows from individual to general, in other words, it identifies a problem, collects data for the same and on the basis of the individual outcome, it creates a generally acceptable clause

Marginal Revenue – It is the addition to total revenue due to change in output; in other words, marginal revenue is change in total revenue due to change in units of output sold

Normative Economics – Theories that deal with "what ought to be", that describe the ideal or value based outcome in any economy

Opportunity Cost – It is the value of the next best alternative sacrificed

Parameters – It is a variable whose value is kept constant for a particular model, if the model changes, its value can change.

Positive Economics – Theories that deal with "what is", that describe the current happenings in any economy

Variables – Anything that can vary or take different values over a period of time