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## Economics as an Art.

According to T.K. Mehta, 'Knowledge is science, action is art'. According to Pigou, Marshall etc. economics is also considered as an art. In other way, art is the practical application of knowledge for achieving particular goals. Considering the activities in economics, it can claimed as an art also, because it gives guidance to the solutions of all the economic problems.

## Provisions Related to Economics as an Art

⇒ Economics is an art too because it is a system of rules for the attainment of given end. There are various branches of economics which provide practical guidance in the solution of economic problems.

⇒ It is a science in its methodology and an art in its application.

## Development Economics

→ As often the Second world countries got freedom, their economy required different development for growth and development.

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→ This branch developed as development economics.

## Positive and Normative Science

→ Positive Science ⇒ It only describes what it is and normative science prescribe what it ought to be. Positive Science does not indicate what is good or what is bad to society.

→ Normative Science ⇒ Makes distinction between good and bad. Prescribes what should be done to promote human welfare.

| Positive | Normative. |
| --- | --- |
| → How much tariff on new petrol tax reduce the price of petrol? | → Should there be a new tax on petrol? |
| → Will an increase in the minimum wage increase unemployment? | → Should there be an increase in the minimum wage? |
| → Why is the price of Pop corn is so high? | → What should be the price of pop corn? |

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# Importance of Economics

→ How to distribute Resources?
→ Opportunity Cost of ... Decision.
→ Understanding Consumer Behaviour.
→ How to fix market failure?
→ How to achieve social efficiency?
→ Give info to make informed choices
→ Give forecast for economy.