

THE MEANING OF THE ECONOMY

Jonqobulov Asadbek Norbuta ogli

Karshi Institute of Engineering Economics

2st Student of the Faculty of Economics

Abstract

This article presents the meaning and composition of Economics. In particular, economic sectors, resources, microeconomics and macroeconomics, and trade of goods were covered.

Keywords: Economic, vomos(nomos), ookomika, microeconomics, macroeconomics, strategic OIL, China, GDP, BLS, Deflation, US.

What is the economy: The economy of a goods and services mining, production, exchange, distribution and consumption of the processes of social sciences studies. In the sense majoz economy – means the management and moderation of costs; saving. The economy is derived from the Latin word economic, and this in turn from the Greek word «home», vómos (nómos), «norms» which means the «dd» (oikos) come from the combination of the Greek terms «ookomika» (oikonomiya). The concept of how the economy, society, at least among individuals and how they use resources to produce goods that have value in understanding the concept of the distribution will cover the goods. The lack of material resources were limited resources and unlimited needs and desires of man, and the idea that not taking into account whether to'ya can produce unlimited amounts of goods was produces. Actually enough resources, but the administration is now wrong. Gandi had once said: «enough to satisfy all the needs on the face of the earth, but that is not enough to satisfy some of the greedy». Based on these principles, the needs of people and the economy as a result of the relationship between resources that are available to meet these needs, will monitor the behavior of people. The functioning of the economic system, economic science and economic relationship with the agent I will try to explain (companies or individuals), and meditation and to offer solutions about problems. Thus, the four basic economic problems and making decisions about production check is based on the main question: what you need to work out? When should I work out? How much production you need? Need one for

production? Also, see 7 globalization and the main characteristics of the cycle. Microeconomics and macroeconomics: Two sectors in the economy radically different: microeconomics and macroeconomics. The microeconomics economic agent (companies, employees and consumers) the study of individual decision behavior in various forms of the same time macroeconomics microeconomics processes of analysis, and the economy in general and changing variables (with the total production, inflation rate, unemployment, wages and others) will track. Also, Microeconomics and macroeconomics to see. Economic Indicators: As noted above, macroeconomics is the study of the big picture and that picture is incomplete without a set of economic indicators. These are some of the most closely-watched of those indicators.

Mixed economy: What is mixed economy economic system as it is known, combines elements of planned economy or directed, if they put the state and the free market economy that is subject to the goals and boundaries. Similarly, this property also private property and socialism together existing economic model of capitalism is the collective name. Political economy: The concept of the political economy of the three main social classes present in the sixteenth century:

increased land owners appear to refer to the relationship between proleto and production. Physiocracy in contrast to economic theory, the origin of wealth is land, in fact the value of labour is the true source of political economy, the theory suggest that the value of it come from. Set aside in the 19th century the concept of political economy and mathematics to economic concepts approach that gives benefits were replaced with in its place. Today, the subject of political economy in terms of applied research, how they affect the actions of the purpose of the policy is to analyze the market.

The economy under water: What of the economy under the water is known to control all economic activity performed outside the legal and tax. Treasury activities that have not been announced, ranging from illegal and criminal economic activity, for example, or sale of drugs, weapons or money laundering. They performed outside the state of economic activity from the fact that the legislative or fiscal reason it does not appear in the statistics.

The informal economy: The informal economy is economic activity hidden from him or to escape from all taxes, administrative control, includes the

exchange of goods and services. As the underground economy, it also is a part of the hidden economy. Some common examples of informal economy trade street home or work. Caused serious economic damage to the treasure of the world, despite the fact that in all countries, more or less, are in the informal economy.

Underground economy: What underground economy, also known as black market, it is designated that which is constituted by the exchange of goods, products or services in a clandestine or illegal way. As such, it is not subject to any legal regulations, so it tends to violate pricing or legal provisions that have been imposed by the government for trading such effects.[1]

Mixed Economies: Pure market economies rarely exist in the modern world since there's usually some degree of government intervention or central planning.

Even the United States could be considered a mixed economy. It may not mandate production but it has ways to influence it. For example: In late 2021, President Joe Biden ordered 50 million gallons of oil released from the nation's Strategic Oil Reserves with the stated aim of forcing gasoline prices lower by increasing its supply. [2]

In 2022, the Federal Reserve imposed a series of interest rate increases on the nation's banks. The purpose was to raise interest rates throughout the economy in order to reduce demand for loans and therefore reduce inflation in the costs of goods and services.[3] In truth, most of the world's developed economies mix market-based and command-based models. China had a command economy only until 1978 when it began a series of reforms that encouraged private enterprise.[4]

Gross Domestic Product (GDP) - Gross domestic product is the total value of all of the completed goods and services produced by an economy during a period of one year. The gross domestic product of the United States was about \$23 trillion in 2021.[5] **Unemployment** - The Unemployment Report estimates the number of people who are working for pay during a given period. More importantly, the number is tracked over time in order to determine whether unemployment is worsening. In the U.S., the Bureau of Labor Statistics (BLS) publishes a monthly unemployment report that breaks down how many people are working, the average number of hours they are working, and their average

earnings. This is used to produce the unemployment rate. Inflation (or Deflation) - Inflation in consumer prices is measured and tracked so that problems in the economy can be pinpointed. If the rate of inflation is outpacing the rate of income growth, the economy is in trouble. Inflation can be negative, too, but overall deflation is relatively rare. The BLS also publishes a key inflation report for the U.S. The Consumer Price Index tracks the costs of goods and services from month to month. It breaks down its report into the vital areas of consumer spending, such as food, energy, and rent costs. Those numbers determine the rate of inflation.

Balance of Trade - An economy's balance of trade is a comparison of the amount of money that is spent on imports of goods and services and the amount of money it earns on goods and services it exports. It is measured primarily by recording all of the products that pass through the Customs office of a country. A nation achieves a positive balance of trade when it exports more than it imports. It has a negative balance of trade when it buys more than it sells. Neither is necessarily good or bad. A nation may have a negative balance of trade because foreign businesses are heavily investing in its future. A nation with a positive balance of trade may have protectionist policies in place that could hurt it in the long run. The U.S. had a balance of trade deficit in 2021 of about \$859.1 billion, up \$182.4 billion from the previous year, according to the U.S. Bureau of Economic Analysis.[6]

History of the Concept of Economy: The word economy derives from the Greek term for household management and the word is still used in that context. Economics as an area of study was touched on by philosophers in ancient Greece, notably Aristotle, but the modern study of economics began in 18th century

Europe, particularly in Scotland and France. Development of Modern Economics The Scottish philosopher and economist Adam Smith, who in 1776 wrote a landmark book called *The Wealth of Nations*, was thought of in his own time as a moral philosopher. He and his contemporaries traced the evolution of economies from prehistoric bartering systems to money-driven and eventually credit-driven economies. During the 19th century, the development of technology and the growth of international trade created stronger ties among countries, a process that accelerated into the Great Depression and World War

II. After 50 years of the Cold War, the late 20th and early 21st centuries have seen a renewed globalization of economies.[7]

Summary:

All of us participate in the economy, except for the Hermit who lives on a desert island. We contribute to something in general by making or helping to make a product or offering a service. In return, we receive money that allows us to buy goods and services that we cannot produce for ourselves.

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