

## **Cultural Colloquium**

### **Economic Theory – An overview**

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Economic Theory is based on certain fundamental concepts regarding conception of human nature and human behavior. Individual is an important building block for such economic theorizing. Individual appears in two basic functional forms – the consumer and the firm. Building on these basic units and behavioral assumptions, economic theory demonstrates certain desirable properties of outcomes for economies where individuals come into economic interactions out of their own free will (choice). On the nature of Economics, the economic theory lays the greatest importance on it being a positive science (the normative aspects making appearance only at the stage of policy – which, in this (economics') framework is seen to be guided by 'positive' economic science and 'normative' social objectives – the latter to be specified by the public authorities).

Pose the three basic questions: What goods to be produced; who consumes those goods? How are these goods produced? The ideas of trade-off and opportunity cost. Efficiency, a central concept in Economics (relate to wealth creation and maximization).

This talk will try to give a brief historical overview of evolution of economic theory – especially in modern times as: Economic Theory: Adam Smith to Arrow – ( a) Concept of man in economic theory; (b) Desire; (c) Truck, barter and exchange; (d) Notion of wealth - production (separation of consumption and production spheres); (e) Building blocks – the individual and the firm; (f) Rationality, Self-interestedness and Optimizing behavior; (g) Individual action and social good (Pareto-optimality); (h) Centrality of non-satiation.

A word on economic method – claim of its applicability across range of areas, such as politics, law and a wide range of human situations.

**About the Speaker:** After schooling in a government inter college in small town of Buland Shahr, Dr. Sharma had his B Tech in Mechanical Engineering from IIT Kanpur and then obtained Ph. D. in Economics from Indian Statistical Institute, Delhi. After working briefly at NIRD, Hyderabad and IPE Hyderabad, He has been teaching at University of Hyderabad for close to past 20 years. Outside these academic engagements, he had a long association with the PPST group, which organised three national Congresses on Traditional Sciences & Technologies of India during 1990s.

***Wednesday, Mar 27<sup>th</sup> 2019***

***4:00 PM (Tea/Coffee at 3:30 PM)***

***Auditorium, TIFR-H***