

Vivekanand College, Kolhapur (Autonomous)

Department of Economics

Subject- Micro Economics

Topic- Difference between Micro and Macro Economics

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Difference between Micro and Macro

Sr. No.	Micro Economics	Macro Economics
1	The branch of economics that studies the behavior of an individual consumer, firm, family is known as Micro economics.	The branch of economics that studies the behavior of the whole economy (national as well as international) is known as Macro economics.
2	Individual economic variables	Aggregate economic variables
3	Covers various issues like demand, supply, product pricing, factor pricing, production, economic welfare etc.	Covers various issues like national income, general price level, employment, money, aggregate demand & supply etc.
4	Helpful in determining the prices of a product along with the prices of factor of production within the economy.	Maintains stability in the general price level and resolves the major economic problems like inflation, unemployment, poverty etc.
5	It is based on unrealistic assumptions i.e. in micro economics it is assumed that there is a full of employment which is not possible.	It has been analyzed that 'Fallacy of Composition' involves, which sometimes doesn't prove true because it is possible that what is true for aggregate may not be true for individuals too.