Difference Between Micro and Macro Economics

Get the difference between Microeconomics and Macroeconomics in a tabular form here. This comparison is made on the basis of various factors, such as the central approach to solve problems, uses, definitions, etc.

Basis	Macroeconomics	Microeconomics
Definition	It strives to examine the economy as a whole and comprises diverse market segments.	Concentrating on a personal level, Microeconomics studies a detailed market segment in a country's economy.
Central Approach	Takes a comprehensive approach by examining the whole economy.	It is an individual-centric practice as it is concerned with companies and families and studies customer behavior, resource distribution, and human preferences.
Concerned with	Also known as the income theory because it represents the changing groups of nationwide revenue of an economy during a specific time.	Also known as the price theory, it deals with factor pricing such as interest, rent, wage, profits, etc. for land, capital, labor, and company and explains how diverse prices are fixed.
Uses	It is an analytical tool used to craft fiscal and national economic policy.	It can be used by potential investors to make their decisions.

Factors	National income, distribution, employment, GDP, general price level, money, etc.,	Demand, factor pricing, supply, product pricing, production, consumption, economic welfare, etc.

What is Microeconomics?

Microeconomics refers to a fundamental branch of economics that examines the behaviour of people and companies. Further, it concentrates on how conclusions are made based on the distribution of finite resources. It explores the demand and supply pattern and determines outcomes and costs in individual markets.
Below are some key components of Microeconomics:

- Production theory: This hypothesis proposes the study of how services and goods are manufactured or assembled.
- Demand, Equilibrium, and Supply: Prices are determined by the regulations of supply and demand. Under this process, vendors give the same rate or cost as required by customers or buyers in a completely competitive industry. It creates an economic equilibrium between supply and demand.
- Production costs: This regulation defines the cost of goods and services specified by the cost of the supplies employed during the production stage.

What is Macroeconomics?

'Macro' emanates from the Greek phrase 'Makro' (meaning "enormous"). When combined with economics, this unit deals with the performance, production, behaviour, design, and decision-making of a country's economy as a blend of all commodities rather than individual companies or markets.
Mentioned hereunder are some key components of Macroeconomics:

- Gross Domestic Product (GDP): Being one of the principal indicators, GDP (Gross Domestic Product) is employed to measure the strength of a country's economy. GDP is the monetary value of all the finished services and goods rendered within a nation's borders.
- National Income: It is a financial indicator that defines the accurate portrayal of the economy and buying capacity of individuals in the country. It means the sum of earnings, salaries, pension payments, and interest rents to citizens of the country.
- Unemployment: This aspect describes the measurement of unemployment of individuals in the nation, and the price at which individuals look for employment or jobs is the unemployment rate.

Summary:
The key difference between Microeconomics and Macroeconomics is that the former deals with the supply and demand of goods, and individual decisions related to production, consumption, and utility, while the latter deals with the economy as a whole by making predictions about the national income, formulating policies, etc.