

Chart of difference between Economics and Managerial Economics

Basis of Difference	Economics	Managerial Economics
Meaning	It involves the framing of economic principles to solve economic problems.	It involves the application of economic principles to solve economic problems.
Character	It is microeconomic as well as macroeconomic in character.	It is microeconomic in character.
Main Task	In it, the fulfilment of the needs of individuals as well as entities is the main task.	It involves proper decision making as its main task.
Nature	It is positive as well as normative in nature.	It is only normative in nature.
Scope	It has a wider scope.	It has a narrower scope as compared to the scope of Economics.
Branches	It involves managerial economics as its applied branch.	It is an applied branch of economics.
Concerned with	It is concerned with all the theories starting from production to consumption including distribution.	It is concerned with only profit theory and ignores other theories.
Analysis Involved	It includes the analysis of macro-level issues like growth, inflation, and employment, etc.	It includes the analysis of micro-level issues like demand, supply, and profit, etc.
Concentration	It concentrates only on the economic aspects of any business problem.	It concentrates on both economic as well as non-economic aspects of any business problem.
Validity of Assumptions	It is based on certain assumptions.	In it, some assumptions become invalid when applied.