FAMILY AND CONSUMER ECONOMICS

PSP 3000 ; 3(3+0)

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FACULTY OF HUMAN ECOLOGY
<table>
<thead>
<tr>
<th>DAY/TIME</th>
<th>GROUP 1</th>
<th>GROUP 2</th>
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<tbody>
<tr>
<td>DAY/TIME</td>
<td><strong>TUESDAY (2-4 PM)</strong> <strong>THURSDAY (2-3 PM)</strong></td>
<td><strong>TUESDAY (8-10 AM)</strong> <strong>THURSDAY (8-9 AM)</strong></td>
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<td>CONSULTATION</td>
<td><strong>WEDNESDAY (9-11)</strong> <strong>BY APPOINTMENT</strong></td>
<td><strong>WEDNESDAY (9-11)</strong> <strong>BY APPOINTMENT</strong></td>
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This course encompasses the relevant economic principle and theory and its application to individuals/family as consumers and producers. The impact of economic, psycho-social, political, environmental factors, government economics policy and marketing practices on the wellbeing of the family and consumer are also discussed.

(Kursus ini merangkumi prinsip dan teori ekonomi yang relevan serta aplikasinya ke atas individu/keluarga sebagai pengguna dan pengeluar. Impak faktor ekonomi, psiko-sosial, politik, persekitaran, dasar ekonomi kerajaan dan amalan pasaran ke atas kesejahteraan keluarga dan pengguna juga dibincangkan).
COURSE CONTENT

Refer course outline
<table>
<thead>
<tr>
<th>Evaluation Category</th>
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<tbody>
<tr>
<td>COURSEWORK</td>
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<td>ASSIGNMENT (GROUPWORK)</td>
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<td>TEST</td>
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<td>FINAL EXAMS</td>
<td>40%</td>
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<td><strong>TOTAL</strong></td>
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Objectives:

- To define the definitions and economic functions.
- To explain the principle and the economic theories.
- To explain economic questions and economic well-being.
Economics

**Definition:**

- a social science sector which focus on human behavior from the aspects of **consumption**, **production** and allocation of limited production **factor** to fulfill unlimited needs.
Family

**definition:**

A group of two or more persons related by blood, marriage or adoption living in one dwelling unit & dependent on a common or pooled income for major items of expense (Fitzsimmons, 1973)
Definition:
✓ Individual (baby-old) or individual group which determine about consumption & resource allocation to achieve well-being maximization (utility).
Family Economics

**Definition:**
A body of laws, principles, and concepts that relate to families use of scarce resources to attain standard of living that desire (Fitzsimmons, 1973).

**Focus:**
Concern with determinants of the level of living (of families and individuals) and the possibilities of improving them to better meet personal and societal needs.
**Consumer Economics**

**Definition:**
- The study of economic interactions of consumers with their external environmental.

**Focus:**
- Economic analysis of market and non market consumption activities, incorporating relevant social, psychological, political & ecological.
Relationships between family/consumer with Firm

Firm → Goods Markets
- Product supply
- Labor supply

Goods Markets → Household
- $ (products supply)

Household → Factor Markets
- Labor supply

Factor Markets → Firm
- $
Family/consumer Economics Function and Roles

1. Allocation of resources
2. Production of wealth (or commodities) & services
3. Distribution of product among family members
4. Consumption of the product
ALLOCATION OF RESOURCES

Any source which are using in good/services production process to attain need and want.

Resources are very limited

Human resource (energy, interest, creative, etc) & material (income-money, wealth & ownership)

Economics resource (money, time, human capital, etc) & non economics (utility, interest, loving etc)
PRODUCTION

- Involve mental & physical process
  - household plan, perform, evaluate and resources control

- Family involve in production activities at market & household level.

- At market– get income (money), self benefit.

- At household– give real income, unpaid activity, benefit for all & not calculate in GNP
DISTRIBUTION

✓ Def:
  ➢ The assignment of produced goods to their intended use

✓ Good/services distribute based on household needs and wants

✓ unfair distribution—unsatisfied problem involve

✓ specific to—OKU, Old person
Different between wants and needs

wants

- You wish to have but not above your needs
- Eg: Car as compared child fees.

needs

- Good/services desired for consumption after basic need were met.
- For life satisfaction
- Formed from culture, producer, technology
- Eg: Maslow Hierarchy
Maslow Hierarchy

- **Physiological**
  - (Health, food, sleep)

- **Safety**
  - (Shelter, removal from danger)

- **Belonging**
  - (Love, affection, being a part of groups)

- **Esteem**
  - (self-esteem and esteem from others)

- **Self-actualisation**
  - (Achieving individual potential)
CONSUMPTION

✓ Def:
  ➢ The utilization of goods directly to satisfy wants
✓ Include ownership, use & product/services disposal
✓ factors influence—price, income, taste & time
✓ Aim – Well-being
CONSUMPTION PROCESS

PHASE 1
- ACQUISITION (pembelian)
- The world that lies behind a product

PHASE 2
- USE
- Actual use of material & energy

PHASE 3
- DISPOSAL (pelupusan)
- Consumption waste/by products
Economics Problem

Why?:

- Unlimited in human need
- Limited in resources
- Things need to process not in a real form
Basic Economics Questions

- What
- How
- Whom
Importance of family/consumer economics

- Focus on the family/consumer issues
- Increase purchasing power
- Reduce the cheating at market
- Increase consumer satisfaction
- To help market system compete
- Increase in information collection
DECISION MAKING

• not as a random
• choose the alternative that give maximum utility.
  - well-being maximization & rational
  - rational in terms of method & outcome
• determined by taste
Decision-Making Process

Gather information
- Learn about different options in this step!

Identify alternatives
- Decide what your options are in this step!

Predict the Immediate and long-term consequences
- List the pros and cons of your options in this step!

Make the best choice
- Decide which of your alternatives is the best for you in this step!

Act
- Implement your decision in this step!

Evaluate
- Reflect on your decision in this step. What would you do differently next time?
Effects of decision making to economics

- propose to buy (what & when)
- outcome of Gross National Product (GNP) **increase** every year because of resource, **technology** and **price** increase.
ECONOMIC WELL-BEING

- The concept of the economic well-being or economic status or ‘well-offness’ refer to,
  - *The ability to command material goods & services, in relation to its need* (Magrabi et al., 1991)

- Well-being is the result of human activities, which is *consumption.*
CONCLUSION

- Refer to how people and community decide to choose for problem solving to fulfill unlimited need with limited in resources.
- family/consumer have their own role to increase economics well-being.
- this well-being help our well-being in future.
Thank You