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THE ECONOMICS OF BUSINESS LIFE

by

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PREFACE

Some people may be inclined to doubt whether any useful purpose is served by attempting to introduce Economics into the matter-of-fact conditions of ordinary business life. They may urge that a study of Economics is all very well for the student, but that it would be better for the business man to concentrate on learning his job and mastering the rules of success. Economics, it is true, does not pretend to teach people how to learn a business, or how to become successful business men, but it does teach something of the forces which underlie all economic activity, and business is merely the form which economic activity takes, the method by which economic wants can have their fulfilment. Hence these two points of view, the theoretical and the practical, may well be considered in their relation to one another, a study of business life bringing reality into the study of economics, and the study of economics bringing clearness and grasp into that of business life.

The object of the present work is twofold:

- (1) to present a kind of economic background for a picture of business life, and
- (2) to fill in the details of the picture by describing something of the machinery by which that business life is carried on.

Hence the division of the book into two parts:

Part I. The Economic Side of Life.

Part II. Business Life and Institutions.

The Economics of Business Life may be regarded to some extent as complementary to the author's earlier work *The Economics of Everyday Life*, for whereas the latter was concerned with the fundamental causes of economic activity and

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PREFACE

with the working of economic forces generally, the former, as its title suggests, is more concerned with the actualities of economic life, with the methods which have been devised and with the institutions which have been set up to secure its smooth and efficient working. Thus it is more practical and at the same time more advanced, for it has in view the needs of those who may be taking up business life as a career as well as of those who merely wish to get some clearer idea as to the general conduct of business affairs. It is neither a textbook of economics nor a manual of business practice, but it should serve as an introduction to the more detailed study of both.

Throughout the book an attempt is made to connect the present with the past, in pursuance of which plan short historical introductions are given with the object of showing how the various business institutions came to take their present form.

The arrangement by which each chapter has been made as self-contained as possible has involved a certain amount of repetition, which could only have been avoided by constantly referring the reader to what had been said before, a very irritating practice. This applies more particularly to the chapters on Banking, the Gold Standard, and International Trade, in all of which, for example, it was impossible to avoid some reference to such questions as Currency and Bills of Exchange.

T. H. P.

September 1933

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