Innovations in the field of technology give impetus to the availability of new products and services and open new horizons for further development. They tend to provide a variety of choice to the consumers and producers. But for the producers i.e. businesses and also for the government, it means decision making regarding basic economic problems.

The businesses and the government have to make decision about the most economically viable mode of production/distribution. Cloud computing, the most talked about technology of current times, is no exception. This technology has made the enterprises revamp their business decisions and deliberate upon their erstwhile costs & benefits and sustenance of their business in the changing structure of market and competition.

The coverage of IT and IT-enabled devices is widening rapidly. The traditional computing machine has graduated to become a smart device. For optimal utilisation of these devices and for the generation, processing and propagation of knowledge there is increasing need of development of different applications. These requirements are fulfilled by cloud computing.

For extensive adoption of cloud computing, its technical and economic aspects are equally significant. The process of migration from in-house IT set-up to cloud includes several economic benefits – reduction in costs, economies of scale, increased elasticity in the system, generation of new employment opportunities, increase in innovations/innovative practices in businesses, etc. In this process, the economic analysis of costs affiliated to cloud becomes more important because it is the optimal way of investigating the true nature of costs. Economics helps out in evaluating the actual benefits and costs and nothing can be more helpful in propagating a new technology than an accurate evaluation.
Cloud economics becomes imperative in the light that cloud computing is not just affecting a single industry or sector but it has a comprehensive effect on the whole economy. There are a number of macroeconomic variables that affect and get affected by the economy-wide adoption of cloud computing. Until and unless research is conducted in this direction the true potential of cloud will not be discovered.

With the background of all these developments and circumstances, this research concentrates on the study of the diverse economic aspects and processes affiliated with cloud computing. The objective of the research work is to examine the nature of economic benefits, economic costs and diverse business and employment opportunities that form the part of the migration process towards cloud.

With the purpose of dwelling deeply on the aforesaid issues, various statistical tools and techniques are applied to analyse the interrelationship between cloud parameters and macroeconomic variables. To carry out the research exhaustive efforts are made and several research papers, reports, official documents, magazines, white papers etc. of credible sources were referred.