



COURSE OUTLINE

1. General specifications

Module Title: Fundamentals of Economics

Level: IDB

Credits 15

Overview of the module

The course starts with a basic but rigorous introduction to economic concepts and tools of analysis. It then moves on to discuss introductory micro-economic supply and demand analysis and different market structures.

The macro-economics section of the course commences with the circular flow of income and the multiplier which are used as the bases of a discussion of the impact of government activity and foreign trade upon economic activity. We then turn to consideration of money, banking and monetary policy and the effect of these upon the level of economic activity. This leads into an overview of IS/LM analysis, of the different schools of macro-economic thought and finally of introductory issues of international trade.

2. Module Delivery

Contents

CLASS SUBJECT
1 Introduction to Economics and the basic tools of economic analysis <ul style="list-style-type: none">• Nature of economics as a subject• Micro and macro economics explained• Tools of economic analysis
2 Theory of demand and supply <ul style="list-style-type: none">• Basic microeconomics supply and demand analysis• Elasticity of demand and supply• Practical analysis
3 Introducing supply decisions <ul style="list-style-type: none">• Different legal forms of business organisation• Introduction to firms' accounts• Economists' and accountants' approaches to cost and profitability• Basic profit maximisation

<p>4 Costs and supply</p> <ul style="list-style-type: none"> • Short-run and long-run cost behaviour • Short-run output
<p>5 Perfect Competition and Pure Monopoly</p> <ul style="list-style-type: none"> • Cost and revenue curves under perfect competition and monopoly • Firm and industry supply curves under perfect competition • Perfectly competitive comparative statics analysis • Profit maximisation by a monopoly • Comparing monopoly and perfect competition
<p>6 Market Structure and Imperfect Competition</p> <ul style="list-style-type: none"> • Monopolistic competition • Oligopoly • Oligopoly and game theory • Other models of interdependent decision making • Contestable markets
<p>7 Introduction to macroeconomics</p> <ul style="list-style-type: none"> • Macroeconomic aggregates • Measuring economic activity • The circular flow of income
<p>8 Output and aggregate demand</p> <ul style="list-style-type: none"> • Components of aggregate demand • Macroeconomic equilibrium output • The multiplier effect • The paradox of thrift
<p>9 Fiscal policy and foreign trade</p> <ul style="list-style-type: none"> • The impact of fiscal policy and international trade on the multiplier • Concepts in fiscal policy • Government budget deficits and debt
<p>10 Money and banking</p> <ul style="list-style-type: none"> • Money and its functions • Banks and money creation • The central bank and the supply of money • Monetary policy • Investment demand
<p>11 Macroeconomics: taking stock</p> <ul style="list-style-type: none"> • Areas of disagreement



<ul style="list-style-type: none">• New classical economics• Gradualist monetarists• Moderate and extreme Keynesians
12 International Trade <ul style="list-style-type: none">• Patterns of international trade• Comparative advantage and the gains from trade• Trade policy• Motives for tariffs

Indicative reading

Essential Textbook:

Begg, D. (2005) Economics 8th.ed. McGraw Hill

ISBN-10: 0077107756

ISBN-13: 9780077107758

3. Module Assessment

Module Learning Outcomes

On completion of this module the student should be able to:

Knowledge and understanding

1. Discuss and explain the problems of and the difference between macro and micro-economics, including the basic theories of demand and supply
2. Describe the fundamental principles of and also the workings of the international trade system.

Intellectual Skills

1. Explain and evaluate the Keynesian, Classical and Monetarist schools of thought, and the models to which they give rise; and the concept of national income as a measure of societal well being.
2. Evaluate the rationale for the various forms of Government Intervention in the economy, and provide analyses of the likely effects of fiscal and monetary policy in each of the different models upon all of the important macroeconomic variables (e.g. employment, national income, output and inflation).
3. Apply supply and demand analysis to the working of markets both in equilibrium and disequilibrium, including examination of the effects of such matters as price restrictions, quotas and taxation.



4. Demonstrate the effects of different market structures (perfect competition, monopoly, monopolistic competition and oligopoly) upon the conduct (particularly pricing policy) and performance of business organisations, and give examples of the forms and effects of government intervention in this area.

Transferable Skills

1. Apply economic theories to a range of business problems and suggest possible solutions based on these theories.
2. Apply qualitative techniques to well specified problems.

Assessment Methods:

Number, Type and Weighting of Element

100% Examination

*Admission to the final assessment is subject to completion of all coursework assigned by Esei tutor for each module.