

DBS SCHOOL OF BUSINESS

LJMU DEGREE PROGRAMMES

MODULE PROFORMA

Module Title: Economics

Level: 1

Assessment: Continuous Assessment: 30%

Examination: 70%

Prerequisites: None

Credits:10

Objectives:

- To provide an understanding of the basic principles, concepts, theories and techniques of microeconomics and macroeconomics.
- To generate awareness that economics is 'a living subject'; which enables students to understand and explain contemporary economic problems.
- To enable students to use economics to aid in the general understanding of how businesses operate.

Learning Outcomes:

On completion of this module, students will be able to:

- Identify and explain key macro and micro economic terms in the economy.
- Explain how a change in the economic environment affects business.
- Demonstrate understanding of the economic factors that govern the financial decisions firms make.
- Identify and analyse economic problems in the economy, and explain the policies that the government pursues in attempt to address these problems.

Syllabus:

Introduction

- The Role of Economics in society.

Supply and Demand, Price Determination within Markets

- Demand and Supply, Market Equilibrium, Price Mechanism and Price Controls.

Elasticity of Demand

- Price Elasticity of demand, Income Elasticity of demand, Cross Price Elasticity of demand and Price Elasticity of supply.

Consumer Choice and Utility Analysis

- Utility, Equi-Marginal Principle, Law of Diminishing Marginal Utility, Price Effect (Substitution and Income Effects).

The Firm and Production

- The Objectives of the Firm, Production, Costs, Profit Maximising Output Level and Economies and Diseconomies of Scale.

Market Structures

- Monopoly, Perfect Competition and Imperfect Competition.

Factor Markets (Land/Labour/Capital and Enterprise)

- Labour and Wages, Capital and Investment, Land and Rent, Entrepreneurship and Profit.

The Circular Flow of Income and National Income Determination

- The Circular Flow of Economic Activity, the Multiplier, the three Methods of measuring Economic Activity, the National Income Accounts and the Model of Income determination.

The Functions of Money within the Economy.

- Money Supply and Creation; Interest Rate determination, the Role of the Irish Central Bank, and the European Central Bank.

Unemployment and Inflation

- Inflation, Unemployment/Employment in Ireland.

Taxation Policy

- Principles of Taxation, Fiscal Policy, reform and the Budget.

International Trade

- Flexible and Fixed Exchange Rates, International Trade Theory.

The Balance of Payments

- Balance of Payments position and Balance of Payments Policies.

Economic and Monetary Union

- Introduction to Economic and Monetary Union (EMU).