

Module 6

6.6.1. Economics

Module title	Economics				
Module NFQ level (only if an NFQ level can be demonstrated)	6				
Module number/reference	BT06				
Parent programme(s)	Bachelor of Arts (Honours) in Business Studies				
Stage of parent programme	Stage 1				
Semester (semester1/semester2 if applicable)	Semester 2				
Module credit units (FET/HET/ECTS)	ECTS				
Module credit number of units	10				
Duration of the module	One Academic Semester, 12 Weeks Teaching.				
Average (over the duration of the module) of the contact hours per week (see * below)	6				
Allocation of marks (within the module)					
	Continuous assessment	Supervised project	Proctored practical examination	Proctored written examination	Total
Percentage contribution	30 %			70%	100%

Minimum intended module learning outcomes

On the successful completion of this module, students should be able to:

MIMLO 6.1 Describe and discuss a range of key micro and macro-economic theories and debates.

MIMLO 6.2 Explain how economic models can be used to analyse and predict the economic behaviour of consumers and firms, and whole economies.

MIMLO 6.3 Describe the functioning of financial markets and the role of financial institutions within the broader economy.

MIMLO 6.4 Relate economic analysis to financial decision-making and detail some of the ways in which firms can respond to changes in their external environments

Module content, organisation and structure

Indicative Syllabus

What is economics?

- The fundamental problem of relative scarcity
- Economic resources and production possibilities
- Economic systems: what, how and for whom.
- The methodology of economic analysis

Supply and Demand

- Supply and demand curves
- Determination of equilibrium price
- Conditions of supply and demand and changes in market price
- Price elasticity of demand
- Cross and income elasticity of demand
- Price elasticity of supply
- Consumers' surplus
- Indirect taxes and subsidies
- Price controls – e.g. the Common Agricultural Policy of the EU

Consumer Theory

- Indifference curves
- The budget constraint
- Income and substitution effects of a price change
- Individual and market demand curves

Costs of Production

- The production function and costs of production
- The behaviour of costs in the short and the long run
- Optimum size/minimum efficient scale of production
- Economies of scale and competition

Profit and the Behaviour of Firms in Markets

- Costs, revenues and the measurement of profit
- Profit maximising strategies
- Alternative pricing strategies
- Price discrimination

Market Structures

- The nature of markets
- Perfect competition
- Imperfect competition
- Oligopoly
- Monopoly

Market for Factors of Production

- Labour markets and relative wages
- Transfer earnings and economic rent
- Investment expenditure
- Net present value appraisal

Market Failure

- Externalities
- Public goods
- Natural monopoly (two-part tariff)
- Trade unions and labour markets

National Income

- Measuring economic activity
- The determination of the level of national income
- Underemployment equilibrium
- The multiplier effect and active fiscal policy
- The crowding out effect

Money and Banking

- Money in modern economies
- Credit creation and the money supply

- The demand for money
- The central bank and monetary policy
- The quantity theory of money

The Open Economy

- Balance of payments
- Comparative advantage
- Free trade and protection
- Determination of the nominal exchange rate
- Fixed and floating exchange rates

The Economics of European Integration

- Economic integration
- The Single Market Programme
- Economic and Monetary Union
- The Common Agricultural Policy
- The EU and the World Trade Organisation

Irish Macroeconomic Policy

- Monetary and fiscal policy within EMU
- Taxation policy
- Competition policy
- The Irish Economy – performance and prospects

Reading lists and other information resources

Essential reading:

O'Leary, J. (2012) Economics, Make that Grade (4th Edition). Dublin, Gill and Macmillan.

Recommended reading:

Turley, Maloney & O'Toole. (2011) Principles of Economics an Irish Textbook 4nd Ed. Dublin, Gill and Macmillan

Bannock, Baxter and Davis, The Dictionary of Economics. London: Penguin Publishing

Online Resources:

Journals:

The Harvard Business Review

The Economist