

MODULE DESCRIPTOR

MODULE TITLE	Fundamentals of Economics		
MODULE CODE	EC4005	CREDIT VALUE	10 / 5 ECTS
SCHOOL	SCHOOL OF BUSINESS AND MANAGEMENT		

MODULE AIMS

To gain an understanding of the complexity of business decision making in the global economy.
 To employ economic models to develop theoretical, conceptual and empirical skills for the analysis of business, community and government incentives. In particular, the importance of free trade and economic integration.

MODULE CONTENT

Microeconomics:

Scarcity – the basic economic problem.
 Opportunity cost.
 Allocation of resources:
 Markets or Command Economy.
 Market failure versus Government failure.

Trade:

Gains from trade – Absolute and comparative advantage, Heckscher- Ohlin.
 Restricting trade – Mercantilism, infant industry.
 Trade barriers.
 Economic Integration, trade blocs, GATT/WTO.

Investment Appraisal:

Investment appraisal techniques:
 Payback, ARR, IRR, NPV.
 Problems of investment appraisal in a global business context (cash flows, currencies, tax regimes etc.).

Macroeconomics:

Modelling the economy as a whole:
 Circular flow of income.
 Business Cycles.
 The role of government.
 Government macroeconomic goals:
 Balance of Payments, Low inflation, low unemployment, high growth.
 Monetary Policy and Fiscal Policy.

INTENDED LEARNING OUTCOMES

On successful completion of this module a student will be able to:

1. Examine and critically assess how scarce resources get produced, consumed and allocated and how various stakeholders in the global economy make optimal decisions
 2. Examine and critically assess the economic, market and political forces shaping the business environment
 3. Employ Comparative Advantage and related trade models in analysing a country's role in the world economy and the related effects on social, business and economic pathways
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TEACHING METHODS

The course comprises 2 hours of tutor directed study per week, which will be run as a lecture/workshop. The length of these teaching approaches will vary within the time available depending on the needs of the subject material. Each session will make use of case study material where appropriate. Students must prepare before the sessions which usually take the form of discussion, case study, reading and/ or presentation. Some of the time may be spent discussing the assessment and how to achieve the specified learning outcomes.

ASSESSMENT METHODS

This module is assessed through two Critical Essays.