

Module 8: Principles of Economics

Stage				1			
Semester				2			
Module Title				Principles of Economics			
Module Number/Reference				BAIHH - EC			
Module Status				Mandatory			
Module NFQ level				6			
Pre-Requisite Module Titles				N/A			
Co-Requisite Module Titles				N/A			
Capstone Module?				No			
List of Module Teaching Personnel							
Contact Hours				Non-contact Hours			Total Effort (hours)
46				54			100
Lecture	Practical	Tutorial	Seminar	Assignment	Placement	Independent Work	
36		10		20		34	100
Allocation of Marks (Within the Module)							
	Continuous Assessment	Project	Practical	Final Examination	Total		
Percentage Contribution	30			70	100		

Intended Module Learning Outcomes

On successful completion of this module, the learner will be able to:

1. Explain the forces driving demand and supply and their impact on market conditions.
2. Calculate and interpret various economic parameters such as equilibrium price and quantity, elasticity, average costs, marginal costs etc.
3. Debate and explain topical economic problems and issues confidently.
4. Classify firms into different market structures and show how competitive structures influence the individual firm's behaviour
5. Apply economic analysis to everyday problems in real world situations.
6. Explain the objectives of government macroeconomic policy and describe how they can be pursued through fiscal and monetary policy
7. Describe the causes and consequences of inflation and unemployment
8. Explain how exchange rates and interest rates are determined.

Module Objectives

Economics underpins a great deal of decision-making not only in business but also in our everyday lives and as such is an essential cornerstone of this programme. Economics is typically divided into two main branches namely microeconomics and macroeconomics. While macroeconomics is concerned with the economy as a whole microeconomics examines the individual parts of the economy and focuses on how individuals and firms make decisions and how these decisions interact.

This module is designed to introduce learners to the fundamentals of economics by exposing them to the principal theories and models used by economists. It demonstrates how economics can be used by individuals and businesses alike to assess problems and develop solutions. It also examines the wider macroeconomic environment and the principles underlying monetary and fiscal policy.

Module Curriculum

Introduction to Microeconomics

- What is Economics?
- The Economic Problem: Scarcity and Choice

Determining Price

- Demand and Supply
- The Determinants of Equilibrium Price and Quantity
- Government Actions in Markets

Elasticity

- The Responsiveness of Demand and Supply
- Cross Price Elasticity of Demand and Income Elasticity of Demand
- Relationship between Elasticity and Total Revenue

Costs and Production

- The Firm's Supply Decision and Cost Behaviour
- Long Run Total, Marginal and Average Costs
- Short Run Costs and Diminishing Marginal Returns
- Returns to Scale

Market Structures

- Perfect Competition
- Monopoly
- Monopolistic Competition
- Oligopoly
- Government Regulation and Intervention

Introduction to Macroeconomics

- Macroeconomic Objectives
- The Circular Flow of Income
- Measuring National Income

- Economic Growth and The Business Cycle

The Determination of National Income and the Role of Fiscal Policy

- Equilibrium Level of National Income
- Keynesian Theory and the Multiplier
- The Role and Effectiveness of Fiscal Policy

Money and Banking

- How Banks Create Money
- Money Multiplier
- Measures of Money and the Money Supply
- The Role of the Central Bank and The European Central Bank
- Instruments and effectiveness of Monetary Policy
- Interest Rate Determination

Unemployment, Inflation and Growth

- Types of Unemployment
- Causes and Consequences of Inflation
- Demand Side and Supply Side Policies

Exchange Rates

- Balance of Payments Account
- Determining Exchange Rates
- Fixed versus Floating Exchange Rates

International Trade

- Gains from Trade
- Restrictions on Trade
- Trading Blocs

Reading lists and other learning materials

Begg, D., (2013) *Foundations of Economics* 5th Edition. Mc Graw Hill
 Case, K., & Fair, R., Oster, S. (2013) *Principles of Economics* 10th Edition Prentice Hall
 Conway, E. (2009) *50 economics ideas you really need to know* Quercus
 Harford, T. (2007) *The Undercover Economist* Abacus
 Krugman, P., Wells, R., & Graddy, K. (2014) *Essentials of Economics*. 3rd Edition Macmillan education
 Landsburg S. (2012) *The Armchair Economist* Free Press
 Levitt, S., and Dubner S. (2007) *Freakonomics* and (2010) *Superfreakonomics* Penguin
 McDowell, M., Thom, R., Pastine, I., Frank, R., and Bernanke, B. (2012) *Principles of Economics*, 3rd European Edition. McGraw-Hill
 Mell A, and Walker O, (2014) *The Rough Guide to Economics* Penguin
 O' Hagan, J. And Newman C. (2014) *The Economy of Ireland* 11th edition. Gillmacmillan
 O' Leary, J., (2012) *Make that Grade; Economics*. 4th edition. Gillmacmillan.
 Reece, W.S. (2010). *The Economics of Tourism*, Prentice Hall.
 Sloman, J., (2013) – *Essentials of Economics* 6th edition. Pearson education
 Tribe, J. (2011) *The Economics of Recreation, Leisure and Tourism* 4th edition, Routledge

Turley T., Maloney M., O Toole., F.(2011), *Principles of Economics: An Irish Text*.
4th edition. Gillmacmillan

Useful magazines and newspapers include: *The Economist, Business Plus, The Financial Times, The Sunday Business Post.*

Interesting economics blogs include:

- Paul Krugman: <http://krugman.blogs.nytimes.com/>
- Greg Mankiw: <http://gregmankiw.blogspot.com/>
- Martin Wolf: <http://www.ft.com/comment/columnists/martinwolf>
- Tim Harford: <http://timharford.com/>
- David Smith: <http://www.economicsuk.com/blog/>

Useful economics apps include:

- Bloomberg Business
- CNBC Business News and Finance
- ET- Economic Times
- Economics - Oxford Dictionary
- Study Econ.

Module Learning Environment

The learning environment is designed to foster peer relationships that lead to successful learning. Feedback is given to the learners but also received from the learners. Lecture rooms are used for teaching purposes for the delivery of this module. Active involvement in learning is encouraged especially via tutorials and Moodle. Tutorials are structured to facilitate group discussion, share ideas and allow for further reinforcement of the lecture material using worksheets, case studies and video analysis. All lecture material is also available to participants on Moodle where forums, quizzes, etc. are also facilitated.

Module Teaching and Learning Strategy

Economics is a subject that often needs layer upon layer of reinforcement before concepts are fully digested. To facilitate this, the concepts are initially presented to the learners through formal lectures using power point slides. To ensure deep learning and strong foundations of knowledge the lecture topics where possible are linked to current economic events and business scenarios. Learners are encouraged to participate and question through class debates and discussion. These discussions are generally facilitated in tutorials which enable active learning and further reinforcement of the material using worksheets and case studies. Working in groups, learners are required to present to their peers and through these sessions learners receive formative feedback from both peers and the lecturer. Videos and live links to the web are also used to generate discussion and demonstrate the relevance of the material presented. All material is posted on Moodle and forums are also moderated.

Module Assessment Strategy

The assessment strategy is communicated to the learner at the beginning of the semester and includes information on the learning outcomes being assessed, module weightings, grading criteria, and submission date.

30% of the module marks are allocated for continuous assessment while the remaining 70% of marks are allocated for the end of term examination.

The assessment is an individual case study which requires the learner to apply key economic principles to business scenarios. On the basis of the analysis the learner is also required to make appropriate recommendations/conclusions.