

Subject Description Form

Subject Code	AF1B02
Subject Title	Introduction to Economics
Credit Value	3
Level	1
Normal Duration	1-semester
Pre-requisite / Co-requisite/ Exclusion	None
Role and Purposes	This subject enables students to analyze business problems by applying conceptual frameworks drawn from economics; understand better how value is created in goods and services and delivered to users.
Intended Learning Outcomes	Upon completion of the subject, students will be able to: (a) Appraise the issues and value created in the allocation of resources for individual economic agents and the economy as a whole. (b) Conduct economic analysis of the behavior of firms and markets. (c) Evaluate the issues relating to the macroeconomy and analyze the effectiveness of government economic policy.
Subject Synopsis/ Indicative Syllabus	<p>The Scope of Economic Analysis Concept of scarcity and opportunity cost. Nature of economic science. Relation with other subject disciplines. Cost and benefit analysis.</p> <p>Demand, Supply and the Price Mechanism The law of demand. Elasticity of demand. The law of supply. Production and cost. Price control.</p> <p>Market Structure Perfect competition. Imperfect competition. Market failure.</p> <p>National Income Accounting and Determination Major macroeconomic issues. Concepts and approaches to national income accounting. Aggregate expenditure and national income determination.</p> <p>Fiscal Policy and Monetary Policy Roles of government spending and taxation. Demand for money. Banking system and the money creation process. Determination of interest rate. Central banking and monetary policy. Inflation and unemployment.</p> <p>The International Economy International exchange and gains from trade. The foreign exchange market and alternative exchange rate systems.</p>

Teaching/Learning Methodology

Lectures focus on the introduction and explanation of key economic concepts, with specific reference to current economic issues wherever appropriate. Students will acquire the core knowledge to achieve the intended learning outcomes through attending the lecture.

Tutorials provide students with the opportunity to deepen their understanding of the concepts taught in lectures and to apply the theories to the analysis of real-life economic issues. The activities in tutorials include student presentations and discussions of problem set questions and case studies. The core knowledge acquired in the lecture will be further reinforced for a better achievement of the intended learning outcomes.

Assessment Methods in Alignment with Intended Learning Outcomes

Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed (Please tick as appropriate)					
		a	b	c			
Continuous Assessment	50%	✓	✓	✓			
Presentation	10%	✓	✓	✓			
Written report	15%	✓	✓	✓			
Mid-term test	20%	✓	✓				
Attendance and participation in tutorial	5%	✓	✓	✓			
Final Examination	50%	✓	✓	✓			
Total	100 %						

To pass this subject, students are required to obtain Grade D or above in **both** the Continuous Assessment and Examination components.

Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes:

The continuous assessment components include presentation of problem set questions, written report on problem set questions and mid-term test. Students are assigned with certain problem set questions and are required to explain and elaborate the answers in class and in written format. This will allow the instructors to observe and assess individual student's achievement of a particular learning outcome based on the coverage of the assigned problem set questions.

Test and examination are used to gauge how much students have understood the overall subject contents and to assess students' achievement of all learning outcomes.

Student Study Effort Class contact:

Expected	▪ Lecture	26 Hrs.
	▪ Tutorials	13 Hrs.
	Other student study effort:	
	▪ Self study and homework preparation	78 Hrs.
	Total student study effort	117 Hrs.
Reading List and References	Robin Bade and Michael Parkin, Foundation of Economics, Pearson, latest edition. Michael Parkin, Economics, Pearson, latest edition. Robert H. Frank and Ben S. Bernanke, Principle of Economics, McGraw Hill, latest edition. N. Gregory Mankiw, Principles of Economics, South-Western, latest edition.	