Subject Title : Foundations of Economics
Code : AF1603
Level : 1
Credit Value : 3.00
Offering Department : School of Accounting & Finance
Offering Semester : 1
Pre-requisite(s) : Nil
Co-requisite(s) : Nil
Exclusion(s) : Nil
Medium of Instruction : English

Contact Hours
Lectures : 28 hours
Tutorials : 14 hours
Total : 42 hours

Objectives
This subject aims to introduce the fundamental economic concepts that are essential in the understanding of real world economic activities. This subject also equips students with the basic tools of economic analysis.

Learning Outcomes
On successfully completing this subject, students will be able to:
1. apply relevant fundamental economic knowledge to explain real world situations;
2. conduct(4,6),(995,987) basic economic analysis; and
3. understand and interpret basic economic data.

Teaching and Learning Approach
Lectures focus on the introduction and explanation of fundamental economic concepts, with specific reference to the analysis on common economic activities.
Tutorials provide students with the opportunity to deepen their understanding of the concepts taught in lectures. The activities in tutorials include student presentations and discussions of problems sets.

Assessment Method
Coursework : 50%
Final Examination : 50%
Total : 100%

Keyword Syllabus
1. What is Economics?
   Scarcity and opportunity cost, the role of the market, positive and normative, relation with other subject disciplines.
2. Demand and Supply Analysis
   Determinants of the demand curve, determinants of the supply curve, market equilibrium.
3. Perfect Competition
   The quest of profits and the equilibrium in a competitive market.
4. The Income and Output of Nations
   National income accounting, output determination, economic growth, fiscal policy and aggregate demand, monetary policy and aggregate demand.
5. Inflation and Unemployment
   The causes and costs of inflation, the causes and costs of unemployment.
6. International Trade
   Exchange rates and the balance of payments, foreign trade and output determination.

Essential Reading
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