

### Subject Description Form

<b>Subject Code</b>	AF1BN02
<b>Subject Title</b>	Introduction to Economics
<b>Credit Value</b>	3
<b>Level</b>	1
<b>Normal Duration</b>	1-semester
<b>Pre-requisite / Co-requisite/ Exclusion</b>	None
<b>Role and Purposes</b>	This subject enables students to analyse issues in economics, business and other related fields and to identify prudential decision-making in a wide cross-section of problems by applying economic concepts. It also enables students to understand and evaluate value creation in the allocation of resources and the impact of government policies on economic activity.
<b>Intended Learning Outcomes</b>	Upon completion of the subject, students will be able to: <ul style="list-style-type: none"> <li>a. Identify the fundamental economic issues involved in the efficient allocation of resources from the perspective of both individual economic agents and the economy as a whole.</li> <li>b. Apply economic concepts to analyse the behaviour of economic agents and the role of incentives in influencing such behaviour.</li> <li>c. Examine the macroeconomic issues from the perspective of an open economy and analyse the nature and role of economic policymaking.</li> </ul>
<b>Subject Synopsis/ Indicative Syllabus</b>	<p><b>Principles of Economic Analysis</b> Scarcity, value and opportunity cost; Thinking marginally; Cost-Benefit analysis; Gains from exchange</p> <p><b>Price Theory and Markets</b> Demand and Supply; Price as a signal; Market equilibrium; Market efficiency and fairness.</p> <p><b>Market Structure and Efficiency</b> Perfect and imperfect competition; Market failure: monopolies, externalities and public goods.</p> <p><b>National Income Accounting and Determination</b> Major macroeconomic issues; Concepts and approaches to national income accounting; Aggregate expenditure and national income determination.</p> <p><b>Fiscal Policy and Monetary Policy</b> Government spending and taxation; Demand for money; Banking system and the money creation process; Determination of interest rate; Central banking and monetary</p>

	policy; Inflation and unemployment.						
	<p><b>The International Economy</b> Gains from international trade; The foreign exchange market; Exchange rates and international monetary system.</p>						
<b>Teaching/Learning Methodology</b>	<p>Lectures focus on explaining key economic concepts, through application to economic phenomena and issues. Students will acquire the core knowledge to achieve the intended learning outcomes by attending the lecture.</p> <p>Tutorials provide students with the opportunity to deepen their understanding of economic concepts by applying them towards 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 is further reinforced resulting in a better achievement of the intended learning outcomes.</p>						
<b>Assessment Methods in Alignment with Intended Learning Outcomes</b>	Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed (Please tick as appropriate)				
			a	b	c		
	1. Presentation	10%	√	√	√		
	2. Written Report	10%	√	√	√		
	3. Class Participation	10%	√	√	√		
	4. Midterm Test	20%	√	√			
	5. Examination	50%	√	√	√		
	Total	100 %					
<p>The continuous assessment components include the presentation of problem set questions, a written report and a midterm test. Students are assigned problem set questions and are required to explain and elaborate the answers in class. 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. Students can demonstrate their understanding and application of economic concepts in their written reports. 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</p>							
<b>Student Study Effort Expected</b>	Class contact:						
	▪ Lecture						26 Hrs.
	▪ Tutorials						13 Hrs.
	Other student study effort:						
▪ Self study and homework preparation						78 Hrs.	

	Total student study effort	117 Hrs.
<b>Reading List and References</b>	<p>Robin Bade and Michael Parkin, Foundation of Economics, Pearson, latest ed.</p> <p>Michael Parkin, Economics, Pearson, latest ed.</p> <p>Robert H. Frank, Ben S. Bernanke, Kate Antonovics, and Ori Heffetz, Principle of Economics, McGraw Hill, latest ed.</p> <p>N. Gregory Mankiw, Principles of Economics, South-Western, latest ed.</p>	