

BBER207E Introduction to Economics

ECTS Value: 4 ECTS
Self-Study Hours: 48

Contact Hours: 20
Assessment Hours: 32

Overall Objectives and Outcomes

Economics, as a social science, revolves around the concept of scarcity, being the situation when society does not have enough resources to satisfy its citizens' unlimited needs and wants. Therefore, there should be the best use of such scarce resources in order to maximise societal welfare. This unit will be introducing the two main branches of Economics, being Microeconomics and Macroeconomics. Microeconomics aims at understanding the behaviour of individual households and firms while Macroeconomics focuses on decisions undertaken at a wider scale by the government and national authorities. The rationale behind the design of this unit is to equip future business and retail educators with theoretical concepts and practical examples about ongoing events

By the end of this module, the learner will be able to:

Competences

- Guide economic agents how best to manage the nation's economic resources;
- Apply the interaction between demand and supply forces that lead to the setting of the ideal price and quantity;
- Calculate costs, revenue and output levels and identify the ideal output level to maximise profits and revenue;
- Advise for the importance of competition in the market vis-à-vis a situation of a monopoly;
- Analyse raw data at hand and identify appropriate government policies to address economic problems.
- Draw demand and supply curves;
- Calculate elasticity values and explain the optimal strategy to be adopted by firms in response to such values;

Knowledge

- Define the different elasticities (PED, XED, YED, PES) and identify their relevance to governments and firms;
- Recall the role of price controls (minimum and maximum prices) and understand their effect on the market;
- Name the characteristics of the four main market structures and identify the technique used by each structure to set its pricing and output policy;
- List the limitations of GDP as a measure of economic wellbeing;
- Name the drawbacks of high inflation and unemployment levels on society;
- Demonstrate using an appropriate AD-AS graph how fiscal, monetary and supply side policies help close inflationary and recessionary gaps.
- Discuss the different techniques available to calculate the Gross Domestic Product of the country;
- Review the policies at the government's disposal to influence the economic level of output;

Skills

Applying knowledge and understanding

The learner will be able to:

- a. Demonstrate the economic welfare lost and gained following the intervention by the government in the market through taxes and subsidies;
- b. Arrange data in an appropriate graph for cross-country and time-series comparisons.
- c. Design appropriate government policies to reach specific macroeconomic objectives.
- d. Construct appropriate graphs based on the data provided.
- e. Understand the importance of keeping the unemployment and inflation rates stable while safeguarding economic growth and equity in the distribution of national income.

Assessment Methods

This module will be assessed through: Case Study, Assignment and Essay

Suggested Readings

Core Reading List

1. Maley, S. and Welker, J., 2021. *Economics for the IB Diploma*. 2nd ed. Harlow, United Kingdom: Pearson Education Limited.
2. Grant, S. (2000). *Stanlake's Introductory Economics*. Pearson Education Limited.
3. Sloman, J. Garratt, D. (2018) *Economics*. Pearson Education Limited.

Supplementary Reading List

1. Briguglio, L., 2011. *Macroeconomics and the Maltese economy*. 1st ed. Malta: BDL.
2. Grech, A., 2016. *Understanding the Maltese economy*. 1st ed. Tarxien, Malta: Gutenberg Press Ltd.
3. Parkin, M. Powell, M. Matthew, K. (2017) *Economics*. Pearson Education Limited.