

PRE-REQUISITE(S)

No pre-requisite is required

CREDIT HOURS

4

SYNOPSIS

This unit offers an intensive 'mainstream' economic principles critical to a business person's understanding of the fundamental economic problems of the firm and the society in which that firm operates from. This subject provides an opportunity to study a mix of both business and economics necessary for a career in business. A strong grounding in economic theories and applications will offer us tools of analysis, which can then be applied to business related modules. You will learn the process of strategic analysis driven by big data and time series techniques, pricing, company organization and structure, competitive advantage and innovation.

LEARNING OUTCOMES

- Have an in-depth knowledge and understanding of methods and theory in economics and its practical application to business, industrial, financial and governmental environment.
- Apply knowledge of economics in crucial in a world of integrated global markets with good grip on data analytic skill in problem solving and decision-making.
- Apply advanced knowledge of economics to help formulate business strategies to weather volatile and dynamic business environment.
- Develop critical and analytical skill in a variety of contexts in response to social-economic and political changes with effective leadership.

TOPICS

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| Topic 1 | Introduction to Economics <ul style="list-style-type: none">• Nature and scope of economics• Basic economic problem• Individual demand and supply• The market economy• The public sector |
| Topic 2 | Economics decision making and economics systems <ul style="list-style-type: none">• Economics systems and economics decision• Market economics• Planned economics |

	<ul style="list-style-type: none"> • Changing economics systems • Alignment with world trade economy
Topic 3	<p>Microeconomic issues and policies</p> <ul style="list-style-type: none"> • Market failure and the government role • Business regulation – public interest and choice • Tax and subsidies – agriculture and support policies • Income inequality and poverty • Labor market – unionism, immigration and discrimination • Provision of health care • Political implications on global labour mobility
Topic 4	<p>National Income Revisit</p> <ul style="list-style-type: none"> • Domestic product, national income and general price level • Economic growth and stability • Impact of GDP growth on global trade deficiency
Topic 5	<p>Saving, Investment and Unemployment – revisit</p> <ul style="list-style-type: none"> • Saving decision • Investment decision • Interest and Capital • Unemployment and Real GDP • Full employment • Impact on global trade alignment
Topic 6	<p>Fiscal Policy</p> <ul style="list-style-type: none"> • The Government role • The Budget • Fiscal policy multipliers and the Price level • Fiscal policy and Aggregate Supply
Topic 7	<p>Money and Banking</p> <ul style="list-style-type: none"> • Money and its use • Banking and financial system • Money creation – the process of money creation • Money, Real GDP and the Price level • Determining interest rates, and the level of spending
Topic 8	<p>Monetary Policy – revisit</p> <ul style="list-style-type: none"> • Supply of money • Demand for money • Interest rate determination • Monetary policy and Aggregate Demand • Considering the foreign exchange alignment with trade partners • Currency integration – potentiality – a review

Topic 9	<p>Competition and market structures</p> <ul style="list-style-type: none"> • Defining market • The market structure • Characteristics of pure competition • Monopolistic competition • Characteristics of oligopoly • Market structures, consumers and efficiency
Topic 10	<p>Long-run macroeconomic issues</p> <ul style="list-style-type: none"> • Aggregate supply issues • Growth in the new economy • Public Debt – surplus and deficit • Macro policies – efficiency and burden • Applying economic policies to formulate business strategies
Topic 11	<p>International Economics and policy</p> <ul style="list-style-type: none"> • Global interdependence • The balance of payments • How do the major economics of the world seek to co-ordinate their policies and what difficulties arise in the process? • How can greater currency stability be achieved, thereby creating a more certain global environment for business? • The determination of exchange rules and the implication of business strategy
Topic 12	<p>Government and the market</p> <ul style="list-style-type: none"> • Antitrust enforcement • The antitrust laws • The structure of regulation: industry and social • The performance of regulation • Effective leadership to respond to national and international market regulations
Topic 13	<p>Managing strategic change</p> <ul style="list-style-type: none"> • Explore different types of strategies change and their implications on business • Explore how business organization attempt to put an intended economic strategy into place to achieve strategic alignment • Explore how big data can be used to implement business strategy
Topic 14	<p>Characterizing a Time Series</p> <ul style="list-style-type: none"> • Why Characterize Series? • How to Characterize Time Series • Application: Judging Economic Volatility • Application on decision-making and problem solving
Topic 15	<p>Characterizing a Relationship between Time Series</p> <ul style="list-style-type: none"> • Important Test Statistics In Identifying Statistically Significant Relationships • Simple Econometric Techniques to Determine a Statistical Relationship

• Advanced Econometric Techniques to Determine a Statistical Relationship

Topic 16 The 10 Commandments of Applied Time Series Forecasting for Business and Economics

- Commandment 1: Know What You Are Forecasting
- Commandment 2: Understand the Purpose of Forecasting
- Commandment 3: Acknowledge the Cost of the Forecast Error
- Commandment 4: Rationalize the Forecast Horizon
- Commandment 5: Understand the Choice of Variables
- Commandment 6: Rationalize the Forecasting Model Used
- Commandment 7: Know How to Present the Results
- Commandment 8: Know How to Decipher the Forecast Results
- Commandment 9: Understand the Importance of Recursive Methods
- Commandment 10: Understand Forecasting Models Evolve over Time

Consultation

Library research

ASSESSMENT DETAILS

Continuous Assessment	%
Presentation of Short Synthesis Assignment	30
Metacognitive Discussion on Written Assessment work	20
Final Assessment	%
Open Book Exam	20
Written Assessment Report	20
Closed Book Exam	10

PRESCRIBED TEXT

Main:

James H. Stock, Mark W. Watson, Introduction to Econometrics, 4th Ed, Pearson (2020)

David Besanko, Economics of Strategy, 7th Ed. (2017), Wiley

Michael Baye and Jeff Prince, Managerial Economics & Business Strategy (McGraw-Hill Series Economics) 9th Ed, (2016), McGraw-Hill Education

Patrick J. Welch, Gerry F. Welch, Economics Theory & Practice, 10th Ed (2010) John Wiley

Additional References:

Nicholas Tsounis and Aspasia Vlachvei, Advances in Time Series Data Methods in Applied Economic Research, Springer International Publishing (2018)

Economic Outlook for Southeast Asia, China and India (2018), Fostering Growth Through Digitalisation, OECD Development Centre

Robert Pollin, Greening the Global Economy, 2015, The MIT Press Boston Review

Felix R. Fitsroy and Elissaios Papyrakis, An Introduction to Climate Change Economics and Policy, 2nd Ed, Routledge

Marno Verbeek, A Guide to Modern Econometrics, 4th Ed, (2012) Wiley

David Besanko, David Dranove, Scott Schaefer and Mark Shanley, Economics of Strategy, 6th Ed. (2012), John Wiley and Sons

Friedman, M. (2002), Capitalism and Freedom: Fortieth Anniversary Edition, University of Chicago Press

Given the nature of the topics, additional readings will be indicated and posted to HELP E-Learning to which students have access.