

Module Descriptor: BAM 244 The Economics of Business

<u>Module Name:</u>	The Economics of Business
<u>Level/Credits:</u>	Level 2, 15 Credits
<u>Module Aim:</u>	<p>The module aims to enable students to enhance their economic literacy – their ability to engage with discussion using economic concepts that feature in the media and elsewhere. The module also aims to enable students to develop an understanding of the notion of the perfect market, which features in corporate finance at level 3, and of the notion that we may make ethical judgements about firm behaviour and economic systems, useful for those students taking business ethics as a level 3 option.</p> <p>By using classroom experiments the module provides fresh learning opportunities for both novices and those who may have studied some economics before.</p>
<u>Learning Outcomes:</u>	<p>On successful completion of this module students will be able to:</p> <ul style="list-style-type: none"> • Analyse an experimental market using supply and demand analysis and the concept of the reservation wage. • Analyse the effects of shifts of supply and demand and of taxes on a market, using supply and demand analysis. • Analyse the behaviour of firms in an experimental market using the concepts of fixed and variable costs, and diminishing marginal returns. • Analyse the behaviour of firms facing different demand conditions/market structures. • Draw on the circular flow model of the macroeconomy in reasoning about changes in the main macroeconomic variables.
<u>Curriculum Content:</u>	<ul style="list-style-type: none"> • The behaviour of markets, including the notion of the perfect market as used in corporate finance. • The behaviour of firms – in perfect competition and in situations where strategic behaviour might be expected. • The behaviour of the macroeconomy. • Key concepts, such as opportunity cost, money, the principal-agent problem. • The ethics of markets, as portrayed in economic theory.

<u>Learning Strategy:</u>	<p>Students will participate in number of classroom experiments to generate data that will then form the basis of discussion of elements of economic theory. The emphasis will be placed on learning by doing and reflecting on the experience of doing. Students will be encouraged to participate fully in a supportive atmosphere.</p> <p>The module will be supported by a website.</p>
<u>Assessment:</u>	<p>Formative: The classroom sessions will provide ample opportunity for students to discuss the economic ideas of the module, and to receive feedback from each other and from staff.</p> <p>Summative: Assessment will take the form of two one hour in-class tests, accounting, respectively, for 30% and 35% of the module mark, plus a 1,200 word reflective essay, accounting for 35% of the module mark.</p>