

# FOUDATION OF ECONOMICS

**Subject code: MS1.1**

## **I. Course description**

**1. Credit points:** 1 ECTS

**2. Time commitment:**

Items	Lecture	Tutorial/ Exercise	Practice/ Assignment	Lab-work	<b>Total</b>
No. of hours	20	0	0	0	<b>20</b>

**3. Prerequisites:** N/A

**4. Recommended background knowledge:** N/A

## **5. Subject description**

To introduce the basic principles of economics, students will then be able to demonstrate understanding of basic economic models, both of market behavior and competition, the economic performance of national economies

## **6. Objectives & Outcome**

- Know and understand the basic principles of economics
- Be able to apply an economic framework to the analysis of decision making by producers and/or consumers
- Be able to construct and explain fundamental macro-economic models and interrelationships and how they are affected by change
- Exposure to rival schools of thought in the evolution of economics

## **7. Assessment/ Evaluation**

Component	Attendance	Exercises	Assignments	Reports	Midterm	Final
Percentage %	10	0	0	0	30	60

## II. Course content & schedule

### 1. MICROECONOMICS:

The methodology of economics:

- Demand, supply and the market determination of prices.
- Consumer spending choices, indifference curves and the budget constraint.
- Household saving and investment decisions.
- Labor supply decisions and the choice between work and leisure.
- Production of goods and services and the theory of the firm.
- Competition, Monopoly and Oligopoly.
- Game Theory, factor markets.

### 2. MACROECONOMICS:

Introduction

- Keynesian macroeconomics.
- Financial markets.
- The IS-LM model.
- Aggregate demand and supply
- Unemployment and inflation 1: the Phillips curve and rational expectations.
- Unemployment and inflation 2: New Classical and New Keynesian theories.
- Growth theories.
- Business cycles.