

FP018-30 Economics

20/21

Department

Warwick Foundation Studies

Level

Foundation

Module leader

Virginia Sharpe

Credit value

30

Module duration

27 weeks

Assessment

100% coursework

Study location

University of Warwick main campus, Coventry

Description

Introductory description

n/a

[Module web page](#)

Module aims

The module aims to provide a sound basis in the fundamentals of economic concepts and principles and their application to real world situations. Students will develop analytical skills using economic models and mathematical tools provided during the lectures. Students will learn how to apply these economic models to real world scenarios and how to construct sound arguments that underpin critical essay writing.

Outline syllabus

This is an indicative module outline only to give an indication of the sort of topics that may be covered. Actual sessions held may differ.

Unit 1: Microeconomics

- The Economic Problem

- o The nature and purpose of economic activity
- o Introduction to microeconomics versus macroeconomics
- o Economic resources
- Scarcity and resource allocation;
 - o Scarcity, choice and the allocation of resources
 - o Production possibility diagrams
 - o Value judgements, positive and normative statements
 - o Supply and demand
 - o Analysing equilibrium in markets
 - o The price mechanism
 - o Changes in market conditions
 - o The efficient allocation of resources
- Elasticity
 - o Price elasticity of demand
 - o Income elasticity of demand
 - o Cross-price elasticity of demand
 - o Price elasticity of supply
- Consumer choice;
 - o Utility theory
 - o Consumer surplus
 - o Efficiency
- Producer theory
 - o Cost curves
 - o Revenue
 - o Profit
 - o Time period
- Profit maximisation under alternative market structures;
 - o Perfect Competition – short run and long run
 - o Oligopoly – competitive and collusive oligopolies
 - o Monopoly - sources of monopoly power, price discrimination
- Behavioural economics;
 - o The Objectives of Firms
 - o The Divorce of Ownership and Control
 - o Strategic thinking and game theory
- Economics of market failure;
 - o The meaning of market failure
 - o Positive and negative externalities in consumption and production
 - o Merit and demerit goods
 - o Public goods
 - o Monopoly and the allocation of resources

Unit 2: Macroeconomics

- Economic schools of thought;
 - o Modelling the determination of national income;
 - o Main Macroeconomic Targets (low inflation, full employment, economic growth and a healthy balance of payments)

- o The Role of the Government and Economic Policy
- Macroeconomic indicators (GDP, CPI, RPI, unemployment)
 - o Income, output, and expenditure identity
 - o Circular flow model
- The Long-run vs the Short-Run
- Economic Growth – causes and consequences
- The Business Cycle
- Employment and Unemployment (causes and costs)
- Inflation and Deflation (Causes and costs)
- International trade and competitiveness
 - o The exchange rate
 - o Trade and the Balance of Payments
- The goods and the money market;
 - Aggregate demand – consumption, investment, government spending, net exports
 - Demand and supply of money
 - Interest rates and the transmission mechanism
 - Aggregate supply – short run and long run
- Economic Policy
 - o Fiscal Policy
 - o Monetary Policy
 - o Supply side policy

Learning outcomes

By the end of the module, students should be able to:

- a) Present a range of economic models and theories used to explain economic behaviour;
- b) Develop a strong core of micro and macro-economic knowledge with an awareness of debates and developments in the subject
- c) Understand microeconomic models addressing consumer and producer behaviour and their application to key economic problems and debates
- d) Understand macroeconomic models, their role in explaining government policy and their application to some of the big questions the world is facing
- e) Analyse the conclusions that can be drawn from economic models and their sensitivity to the assumptions made
- f) Understand the link between economics and other subjects, including politics, business and mathematics.

Indicative reading list

Sloman, J., Garratt, D., (2016) Essentials of Economics, 7th edn., Harlow, Pearson

Gillespie, A., (2016) Foundations of Economics, 4th edn., New York, Oxford University Press

[View reading list on Talis Aspire](#)

Subject specific skills

.Analysis and interpretation of economic data
Use of diagrammatic and mathematical models to explain economic theory
Analysis and evaluation of model assumptions
Analysis and evaluation of the impact of macroeconomic policies on

Transferable skills

Use of mathematics
Use of analytical and critical thinking skills
Use and interpretation of data.

Study

Study time

Type	Required
Lectures	25 sessions of 1 hour (8%)
Seminars	81 sessions of 1 hour (27%)
External visits	1 session of 1 hour (0%)
Online learning (independent)	30 sessions of 1 hour (10%)
Private study	108 hours (36%)
Assessment	55 hours (18%)
Total	300 hours

Private study description

106 hours of private study

Costs

No further costs have been identified for this module.

Assessment

You must pass all assessment components to pass the module.

Assessment group A

	Weighting	Study time
Set Exercises	10%	6 hours
Multiple Choice Test	15%	9 hours

	Weighting	Study time
Written Assignment (1500 words)	25%	20 hours
Written Report (2000 words)	50%	

Feedback on assessment

Tabula general and individual feedback; one to one feedback by appointment

Availability

Courses

This module is Core for:

- Year 1 of FIOE Warwick International Foundation Programme

This module is Core option list A for:

- FIOE Warwick International Foundation Programme
 - Year 1 of FP13 Warwick International Foundation Programme - Mathematics and Economics
 - Year 1 of FP11 Warwick International Foundation Programme - Social Sciences