

# Module Study Guide

Academic Year 2021–2022

(Fall Semester)

EF- Economics Foundation

Level: 3

Credits: 10 ECTS; 20 UK credits

Academic Partner:

Marbella International University Centre  
(MIUC)

## Table of contents

Table of contents.....	2
<b>Key team contact details.....</b>	<b>3</b>
1 Module overview.....	4
<b>1.1 Introduction, aims and summary of content.....</b>	<b>4</b>
<b>1.2 Learning outcomes to be assessed.....</b>	<b>4</b>
<b>1.3 Scheduled contact hours.....</b>	<b>5</b>
2 Assessment and feedback.....	6
<b>2.1 Summative assessment grid.....</b>	<b>6</b>
<b>2.2 Assessment brief including criteria mapped to learning outcomes.....</b>	<b>7</b>
2.2.1 Assessment 1: In-class Exercise (1) Basis economic concepts and methods.....	7
2.2.2 Assessment 2: In-class Exercise (2) Principles of micro-economics.....	7
2.2.3 Assessment 3: In-class Exercise (3) Basics of macro-economics.....	8
2.2.4 Assessment 4: In-class Exercise (4) Macro-economics, business and politics.....	8
2.2.5 Assessment 5: Summary.....	9
<b>2.3 Learning materials.....</b>	<b>9</b>
2.3.1 Core textbook(s):.....	10
2.3.2 Other recommended reading:.....	10
2.3.3 Other resources:.....	10
3 Things you need to know.....	11
<b>3.1 Attendance.....</b>	<b>11</b>
<b>3.2 If things don't go to plan.....</b>	<b>11</b>
<b>3.3 Getting support for your studies.....</b>	<b>11</b>
<b>3.4 Student support.....</b>	<b>12</b>
<b>3.5 Module evaluation – have your say!.....</b>	<b>12</b>

## Key team contact details

Module Leader	<b>Christophe de Landtsheer</b>
Subject Area & School/College	Economics and finance
Email	<a href="mailto:christophe@miuc.org">christophe@miuc.org</a>
Phone	+34 952 86 00 00
Location	MIUC

Course Administrator	<b>Jelena Krajacic</b>
Email	<a href="mailto:jelena.krajacic@miuc.org">jelena.krajacic@miuc.org</a>
Phone	+34 952 86 00 00
Location	MIUC

Subject Librarian	Teresa Muñoz-Écija
Email	<a href="mailto:library@miuc.org">library@miuc.org</a>
Phone	+34 952 86 00 00
Location	MIUC

The Course Leader overseeing this module is Ming-Jin Jiang, and can be contacted at [ming-jin@miuc.org](mailto:ming-jin@miuc.org)

Chief Academic Officer responsible for this module is Mirjana Stefanovic, and can be contacted at [m.stefanovic@miuc.org](mailto:m.stefanovic@miuc.org)

The External Examiner responsible for this module is Dr Keith Salmon (Reader, University of Hertfordshire).

The Academic Partner Link-Tutor responsible for this module is Dermot Kelly and can be contacted at [Dermot.Kelly@uwl.ac.uk](mailto:Dermot.Kelly@uwl.ac.uk)

# 1 Module overview

## 1.1 Introduction, aims and summary of content

The science of economics is, put simply, the endeavour to rationally understand how human beings use the resources available, not only to survive, but to establish an environment favourable to the creation of value. Economics has become the paradigm for other social sciences. Its arguments and terminology pervade politics and the media, and have influenced other disciplines and activities, such as business and management. Bluntly put, today no one can partake in an educated conversation without mastering a basic understanding of the fundamental concepts of economics as a science.

This module's objective is to provide you such a foundation. The purpose here is not to deliver in-depth specialist knowledge, but to provide for a wide framework allowing any of you to recognise and to evaluate methods and arguments of an economic nature.

The first part of the module will distinguish economics as a science from other activities, skills and sciences, such as politics, management and sociology. We shall also have a look at how economics developed in interaction with other sciences and disciplines over the three last centuries.

The second part is to introduce you to key microeconomic concepts. That is, to show how economic stakeholders (mainly households and firms) produce and consume goods and services that have a value, and that, ideally, this value is being translated into corresponding monetary units via transactions in various markets. The intrinsic limitations of market mechanisms will also be highlighted.

The third part is to explore the macroeconomic dimension, or the economy "as a whole", and to explain why the measurement of economic growth, inflation and employment are so critical to the governance of modern states. It will be explained what models are being used to help determine the governmental fiscal and monetary policies that so profoundly affect the two other groups of economic stakeholders (the firms and the households) and, are therefore politically sensitive.

This module will run throughout the semester (14 weeks).

## 1.2 Learning outcomes to be assessed

At the end of the module you will be able to:

- LO1.** Understand the specificity of economics as a social theory (Summative Assessments 1 & 5)
- LO2.** Understand the most fundamental concepts and analytical tools which are used in economics (Summative Assessments 1, 2, 3, 4 & 5)
- LO3.** Relate the main conclusions derived from economic theory to their commercial and political implications (Summative Assessments 2, 4 & 5)
- LO4.** Develop communication skills on economic issues using the terminology of economics

(Summative Assessments 1, 2, 3, 4 & 5)

### 1.3 Scheduled contact hours

Teaching Contact Hours	56 hours
Independent Study Hours	144 hours
Total Learning Hours	200 hours

## 2 Assessment and feedback

### 2.1 **Summative assessment grid**

Type of Assessment	Word Count or equivalent	Threshold (if Professional Body-PSRB applies)	Weighting	Pass Mark	Submission due-date & time	Method of Submission & Date of Feedback
A1: Written Examination (In-class exercise 1)	Five multiple choice and fill in the blank questions	n/a	10%	40	Week 4 (Date and Time TBC)	Via NEO LMS & 5 working days after in-class exercises
A2: Written Examination (In-class exercise 2)	Three paraphrasing exercises	n/a	10%	40	Week 7 (Date and Time TBC)	Via NEO LMS & 5 working days after in-class exercises
A3: Written Examination (In-class exercise 3)	Five multiple choice and fill in the blank questions	n/a	10%	40	Week 11 (Date and Time TBC)	Via NEO LMS & 5 working days after in-class exercises
A4: Written Examination (In-class exercise 4)	Three paraphrasing exercises	n/a	10%	40	Week 13 (Date and Time TBC)	Via NEO LMS & 5 working days after in-class exercises
A5: Written Assignment (Summary)	1500 words (+/-10%)	n/a	60%	40	Week 15 (Date and Time TBC)	Via NEO LMS &

						10 working days after in-class exercises
--	--	--	--	--	--	--

## 2.2 Assessment brief including criteria mapped to learning outcomes

### 2.2.1 Assessment 1: In-class Exercise (1) Basis economic concepts and methods

---

This exercise covers lessons 1 to 4 of the module and will assess your knowledge about basic economic concepts from the perspective of the specificity of economics as a social theory.

#### Assessment criteria

**Generic assessment criteria for Assessment 1** (LO1, 2 & 4 will be assessed)

- ! Knowledge and Understanding:** Students will need to show their understanding of key concepts of economics (such as, demand, supply, margin, equilibrium, inflation) and of the techniques, tools and methods (aggregation, open-market operations, indexing) used in economics.
- ! Cognitive Skills:** Students will need not only to be able to understand key concepts, but also to see the logical relationship between them (for instance, between micro-economic demand and supply and macro-economic aggregation).
- ! Practical and Professional Skills:** Students will need to be able to relate the main conclusions derived from economic theory to their personal fields of interest (management, politics, marketing, media, psychology, philosophy, religion).
- ! Transferable and Key Skills:** Students will be able to use the acquired concepts to develop their writing and conversational skills.

### 2.2.2 Assessment 2: In-class Exercise (2) Principles of micro-economics

---

This exercise covers lessons 5 to 10 of the module and will assess your understanding of basic micro-economic theory by expecting you to paraphrase some elementary economic propositions.

#### Assessment criteria

**Generic assessment criteria for Assessment 2** (LO2, 3 & 4 will be assessed)

- ! Knowledge and Understanding:** Students will need to show their understanding of key concepts of economics (such as, demand, supply, margin, equilibrium, inflation) and of the techniques, tools and methods (aggregation, open-market operations, indexing) used in economics.
- ! Cognitive Skills:** Students will need not only to be able to understand key concepts, but also to see the logical relationship between them (for instance, between micro-economic demand and supply and macro-economic aggregation).



- ! **Practical and Professional Skills:** Students will need to be able to relate the main conclusions derived from economic theory to their personal fields of interest (management, politics, marketing, media, psychology, philosophy, religion).
- ! **Transferable and Key Skills:** Students will be able to use the acquired concepts to develop their writing and conversational skills.

### **2.2.3 Assessment 3: In-class Exercise (3) Basics of macro-economics**

---

This exercise covers lessons 11 to 17 of the module and will assess your knowledge about basic macro-economic concepts.

#### **Assessment criteria**

**Generic assessment criteria for Assessment 3** (LO 2 & 4 will be assessed)

- ! **Knowledge and Understanding:** Students will need to show their understanding of key concepts of economics (such as, demand, supply, margin, equilibrium, inflation) and of the techniques, tools and methods (aggregation, open-market operations, indexing) used in economics.
- ! **Cognitive Skills:** Students will need not only to be able to understand key concepts, but also to see the logical relationship between them (for instance, between micro-economic demand and supply and macro-economic aggregation).
- ! **Practical and Professional Skills:** Students will need to be able to relate the main conclusions derived from economic theory to their personal fields of interest (management, politics, marketing, media, psychology, philosophy, religion).
- ! **Transferable and Key Skills:** Students will be able to use the acquired concepts to develop their writing and conversational skills.

### **2.2.4 Assessment 4: In-class Exercise (4) Macro-economics, business and politics**

---

This exercise covers lessons 18 to 20 of the module and will assess your understanding of basic macro-economic theory by expecting you to paraphrase some elementary economic propositions.

#### **Assessment criteria**

**Generic assessment criteria for Assessment 4** (LO2, 3 & 4 will be assessed)

- ! **Knowledge and Understanding:** Students will need to show their understanding of key concepts of economics (such as, demand, supply, margin, equilibrium, inflation) and of the techniques, tools and methods (aggregation, open-market operations, indexing) used in economics.
- ! **Cognitive Skills:** Students will need not only to be able to understand key concepts, but also to see the logical relationship between them (for instance, between micro-economic demand and supply and macro-economic aggregation).
- ! **Practical and Professional Skills:** Students will need to be able to relate the main conclusions derived from economic theory to their personal fields of interest (management, politics, marketing, media, psychology, philosophy, religion).
- ! **Transferable and Key Skills:** Students will be able to use the acquired concepts to develop their writing and conversational skills.

## 2.2.5 Assessment 5: Summary

---

You will write the summary of two articles concerning a related economic topic. You have to first read the assigned articles which are available on NEO and make the summary.

You need to summarise the key points in both articles, relate and synthesise them. The summary needs to be written in an academic style. In-text citations should follow the Harvard referencing style (i.e.,(Author Surname, Year)).

**Assessment criteria 5: Summary** (LO1, LO2, LO3 and LO4 will be assessed)

These assessments will be marked according to the following criteria:

- ! **Knowledge and Understanding (20%):** The students will need to demonstrate their understanding of key economical concepts and of the techniques, tools and methods used in economics.
- ! **Cognitive Skills (35%):** The students will need not only to be able to understand key concepts, but also to see the logical relationship between them and express this relationship using their own words.
- ! **Practical/Professional Skills (35%):** Students will need to be able to relate the main conclusions derived from economic theory to their personal field(s) of interest.
- ! **Transferable Skills (10%):** Students need to communicate in a clear manner given the word count requirement and use Harvard Referencing system.

For guidance on online submission of assignments, including how to submit and how to access online feedback, please refer to the MIUC Blackboard student guideline at:

<https://sites.google.com/miuc.org/blackboard-help>

## 2.3 Learning materials

The reading list for this module is available on Blackboard in the module area.

### 2.3.1 Core textbook(s):

---

- ! Dobson S. and Palfreman S. (1999) *Introduction to Economics*, Oxford University Press
- ! Gillespie, A., (2016). *Foundations Of Economics 5e*. Oxford University Press.
- ! Gregory M. N. (2017) *Principles of Economics*, 8th ed. Cengage Learning

### 2.3.2 Other recommended reading:

---

- ! The Economist (2016) Minsky's moment, accessed 23 July 2019 (<https://www.economist.com/economics-brief/2016/07/30/minskys-moment>)
- ! The Economist (2016) Fiscal multipliers, accessed 23 July 2019

(<https://www.economist.com/the-economist-explains/2016/09/07/what-is-the-keynesian-multiplier>)

- ! The Economist (2017) Say's law: supply creates its own demand About employment, accessed 23 July 2019 (<https://www.economist.com/economics-brief/2017/08/10/says-law-supply-creates-its-own-demand>)
- ! Keen, S. (2011) *Debunking Economics*, Zed Books
- ! Lipsey, R.G., Chrystal, K.A. (1999) *Principles of Economics*, 9th ed. Oxford University Press
- ! Piketty, T. (2014) *Capital in the Twenty-first Century*, The Belknap Press of Harvard University Press
- ! Raworth, Kate (2017) *Doughnut Economics*, Penguin Random House
- ! Sowell, T. (2011) *Basic Economics*, Basic Books
- ! Sloman, J., Garratt, D., Guest, J. and Jones, E. (2016), *Economics for Business*. Pearson

### 2.3.3 Other resources:

---

#### ! Internet resources

- Stakeholder Theory (<https://www.youtube.com/watch?v=lh5lBe1cnQw>)
- Money as Debt ([https://www.youtube.com/watch?v=jqvKjslxT\\_8](https://www.youtube.com/watch?v=jqvKjslxT_8))

#### ! Web sites

- The Economist online
- IMF website
- Investopedia
- FT online
- Wall Street Journal online
- Bloomberg
- Reuters
- Yahoo Finance

**Remember to log into NEOlms daily to receive all the latest news and support available at your module sites!**

# 3 Things you need to know

## 3.1 Engagement

During the academic year 2020-21, the health, welfare and safety of all our students and staff is our top priority as Spain continues to deal with the ongoing implications of the COVID-19 outbreak.

Face to-face-teaching, access to MIUC facilities and being part of our unique University community are key parts of the excellent student experience at MIUC. We have been working to create a safe and efficient plan that will allow us to deliver these elements when you start with us in the fall semester, subject to government regulation.

MIUC will be ready to teach in September and we are committed to engaging with you as closely as we can, and to ensuring that you have a rich educational experience that is safe and protected to ensure that you continue to get the most from the University life and the city of Marbella.

Whether you are engaging with teaching and learning activities on site or via the MIUC Virtual Learning Environment, we expect the same level of commitment and engagement from you. If you are unable to attend scheduled on site or online activities or complete activities in the timeframes set out, you should let your module leaders know. You should aim to stick to assessment deadlines; if you are concerned that you will not be able to complete your assessments on time, you should talk to your module leaders. Your engagement, whether online or on site, will be tracked and if we see that you are not engaging, we will get in contact with you. However, we encourage you to let us know if you are struggling so we can work with you to find solutions and get you back on track as soon as possible. Give yourself the best possible chance to succeed by engaging with the full range of learning and teaching activities available to you.

## 2. Need help, just ask

The University recognises that there are times when you may encounter difficulties during your course of study and provisions are made to help you. If you are struggling with meeting deadlines please talk to us, whether it's your course/module leader, personal tutor or any member of staff, speak to them so they can get you the support you need to succeed. You can extend your deadline if you have a good reason why you are not able to submit a piece of coursework on time, [apply online for an extension](#) before your deadline. An extension will allow you an extra 10 working

days. If an extension is not sufficient and circumstances beyond your control are preventing you from completing your assessment, then you can, [apply online for mitigation](#).

Please remember late submission without extension or mitigation will result in penalties depending on how late it is, see [Academic Regulations](#).

You are reminded that MIUC applies penalties to students who commit an academic offence, in which case the Academic Offences Regulations will be used to deal with any cases of academic misconduct including examination offences, plagiarism and other means of cheating to obtain an advantage.

You are encouraged to seek advice from the Students' Union and counselling service which support you with all aspects of your academic experience by providing advice and guidance to ensure you are fully informed of the academic regulations as well as advocate for student views.

You are expected to behave in line with University expectations, irrespective of whether your interactions with staff and other students are in person or online. As you will be engaging with others online and a range of online materials, it is important to consider how to stay safe online and ensure your communications are secure and appropriate. If you have any questions about how to manage your online activities, please contact your module leader.

If you have an issue about the module, you should speak to your Module Leader or Course Leader informally in the first instance. Your Course Representative can also raise your concerns at Course Committees, which take place each semester. If you are unable to resolve it informally, you should refer to the Complaints Procedure which is outlined in the student handbook and consult the Students' Union about it. The University aims to ensure that issues are resolved informally as quickly as possible to have minimum impact on your studies.

### **3. Getting support for your studies**

Throughout your course of study, you will have access to a wide variety of sources of support depending on your individual circumstances and needs. Your first point of call for getting general academic support is your Personal Tutor. As well as approaching your Module Leader with any questions specifically related to your module and your Course Leader with questions on your Course, do contact your Personal Tutor for academic advice in relation your studies and your academic development.

Apart from the University-wide support framework, which encompasses the Module Leaders, Course Leader, the Subject Librarian and your Course Administrator, you will also have at your

disposal the MIUC Academic Support Team. The Team offers Academic Skills Workshops throughout the year, helping you to develop skills relevant to your degree. Workshops include for instance Essay Planning and Writing; Critical Thinking; Reflective Writing; Group Work and Presentation Skills.

English Language support and One-to-one academic support opportunities are also available. For information about all these services, please consult the Academic Office.

## **4. Student support**

In addition to the support listed in the previous section, there is also more help offered by MIUC Student services, consisting of Student Life Department, Internship Support, Life Coaching Service and Counselling service. They offer a wide range of support and services consisting of extracurricular activities; Careers and internship support; Student Welfare and Counselling.

Contact Student Services for more information at:

Student Life Department: [student.life@miuc.org](mailto:student.life@miuc.org)

Internship Support: [cristina@miuc.org](mailto:cristina@miuc.org)

Life Coaching Service: Ms. Ana Cante, [ana.cante@miuc.org](mailto:ana.cante@miuc.org)

Counselling Service: Ms. Eva Berkovic, [eva@miuc.org](mailto:eva@miuc.org)

## **5. Module evaluation – have your say!**

Towards the end of the module you will be invited to provide some anonymous feedback to the Module Leader through a (online) survey. This is your opportunity to give some direct feedback about the module through a series of questions and free text. Your constructive feedback will help the Module Leader and teaching team to understand the module experience from your perspective and helps inform the development of the module.

## 4 Appendix — Research ethics and integrity

### 4.1 Research ethics guidance for students

#### 4.1.1 What is research ethics? Why it matters

---

You will be asked to seek ethical approval for all your research projects undertaken in the course of your studies at UWL. Research ethics provides a framework for conducting research that might range from a short questionnaire devised by an undergraduate student through to a multi-million-pound project carried out by a group of professional researchers. All researchers, across all disciplines, should be mindful of ethical issues when planning, conducting, and reporting on their work.

Research ethics works to preserve the safety and rights of research participants in addition to safeguarding the well-being and integrity of the researcher, and the trustworthiness of the research. The University does not adhere to the principles of research ethics in order to prevent research taking place, but to facilitate good research; respecting the interests of all parties, mitigating risks to participants and researcher, and delivering research outcomes that are robust.

#### What is research ethics? Why it matters

---

Surely some types of research raise more ethical issues than others?

Yes. Typically, research that involves the following would raise ethical issues:

- ! human subjects,
- ! vulnerable individuals or groups,
- ! personal data,
- ! any type of clinical/physical intervention,
- ! when conducted in a sensitive or potentially dangerous location, or
- ! security sensitive information

These ethical issues require appropriate planning in the design of the research to identify and mitigate the risks to the participant or researcher.

Interviewing your peers or friends on certain issues to do a research project is, for example, a typical case where ethical approval is required. Desk-based research centred on journal articles and books would be unlikely to pose acute ethical issues, except in relation to the way the researcher might select the articles, and report on their findings.

In any case, no research should be undertaken without research-ethics approval.

#### How will UWL help me understand and apply research ethics?

---

First and foremost, research ethics will be addressed by your tutor or supervisor as part of your module. It may also be part of your recommended reading. Different disciplines conduct a range of research using a variety of approaches, so your teaching will cover ethical issues that are most likely to apply to your subject. If you have any questions about the design or conduct of research that you are planning, then you should seek the guidance of the tutor responsible for the module.

Secondly, UWL operates a Research Ethics Risk Assessment system, employing a *Research-ethics and integrity risk assessment form* that you are required to complete before commencing your project. This easy-to-complete assessment form helps the University to identify and improve research projects that might raise ethical issues. Just as importantly, it will help you work through the potential ethical dimensions of your research in a structured step-by-step way.

---

### **My research does not involve any of the above issues?**

---

*You will still need to complete the Research-ethics and integrity risk assessment form before commencing your project.*

---

### **Further guidance**

---

This guidance should be read in conjunction with the Research Governance Policy and University Research-Ethics Code of Practice, and the Data-Protection Act:

<http://www.uwl.ac.uk/research/supporting-research/research-strategy-and-codes-practice>

Applying for ethics approval – a link to the ‘Research-ethics and integrity risk assessment form’ can be downloaded from MIUC Ims.

## **4.2 Easy steps to ethical approval**

- ! Remember, the ethics application form **must** be submitted and approved **before** any research project starts and **before** any potential participants are approached.
- ! Make sure you have discussed any possible ethical issues with your Supervisor/Tutor/Module Leader before submitting your application. **You need your Supervisor’s/Module Leader’s/Tutor’s approval before getting started with the online approval.**
- ! The ‘Research ethics and integrity risk assessment form’ can be accessed on MIUC Ims.

At various points you will be asked to provide complementary documents. **Your application cannot be processed without these. You are advised to first type your project description (this is good practice for all applications and research proposals generally).** Make sure you include the following where your project utilises these research methods and instruments (A and B compulsory for all projects):

- ! The completed risk assessment form
- ! A completed *Project Proposal*
- ! A participant-information sheet
- ! An informed-consent form



- ! A copy of interview questions and/or the questionnaires/instruments you intend to use **or**, if you do not have these questionnaires/instruments, a statement of what will be used (in MS Word, with your application ID at the top)
- ! A data management and storage statement

#### 4.2.1 How it works

---

1. The School/College Ethics Panel will review your application – **this is normally within two weeks of submission**
2. **You and your supervisor** will be informed of the outcome by email
3. Outcomes will be one of the following categories:
  - ! **Conditional** approval subject to review and re-submission (you must make the changes specified by the panel before you can start)
  - ! **Provisional** approval subject to additional information and re-submission (you can start your project, but you will need to provide further information at a date determined by the School/College Ethics Panel)
  - ! **Final** approval (the approval is final, and you do not need to re-submit unless you make subsequent changes to the project)
  - ! **Rejection** (you must discuss issues raised with your Supervisor)
  - ! **Referral** to University Research Ethics Committee where risk is identified that requires such referral.

## 5 Appendix: Weekly Content

### Week 1: Economic Science, Politics, Business and Management

**Key concepts/issues:** Science, scarcity, value creation, normative, objective, data, graphs, models, long/short run, ceteris paribus

**Literature for this session:**

Dobson & Palfreman, chapter 1

Gillespie, chapter 1

Raworth, chapter 1

Cohen, Joel: An Introduction to Demography ([https://www.youtube.com/watch?v=2vr44C\\_G0-o](https://www.youtube.com/watch?v=2vr44C_G0-o))

**Content:** This session will introduce you to the structure of the module. Economics as a science will be differentiated from other activities, skills and sciences. We will discuss the methods, specificity and importance of economics as a human/social science.

### Week 2: Scarcity, Choice & Economic Stakeholdership

**Key concepts/issues:** Decision, cost, stakeholder, opportunity cost, allocative, efficiency, factors of production, governance, responsibility

**Literature for this session:**

Dobson & Palfreman, chapter 2

Gillespie, chapter 2

Raworth, chapter 3

Formative source:

Stakeholder Theory (<https://www.youtube.com/watch?v=Ih5lBe1cnQw>)

**Content:** The scarcity of economic resources implies competition for their use. This means economic interests are involved at all levels of economic interaction. In the worst cases this competition will degenerate into conflict and even war. We shall here analyse the complexity of economic relationships from the specific stakeholder perspectives of households, firms and states. We shall also consider the question whether economics could reduce the dangers of conflict by objectifying interests scientifically.

### Week 3: A Short History of Economic Thought

**Key concepts/issues:** Business cycle, depression, recession, trend, classical economists, Marxism, interventionism, liberalism, communism, globalisation, monetarism

**Literature for this session:**

Dobson & Palfreman, chapter 16

### **Formative sources:**

About business cycles, "Minsky's moment", The Economist.

About Keynes' multiplier, "Fiscal multipliers", The Economist.

About "Say's law: supply creates its own demand", The Economist.

**Content:** The economy evolves in time driven by factors such as political events, changes in society and technological innovation. But this evolution is not smoothly linear, it can be seen as a succession of booms and busts. This has led to the idea of the cyclical nature of the economy. In one way or another, all great economists have been concerned with the ideal, if not to eradicate, at least to soften the effects of disruptive economic crises. In this session we will see how the science of economics has evolved from the XVIIIth century physiocrats to contemporary monetarism.

### **Week 4: Value Creation, Markets and Price**

**Key concepts/issues:** Process, value, cost, supply, demand, competition, market, price, property rights

#### **Literature for this session:**

Dobson & Palfreman, chapter 3

Formative source:

About markets and information, "Information asymmetry", The Economist.

Gillespie, chapter 7

**Content:** Value is created by transforming production factors (labour, raw materials, capital, ...) into goods and services needed or desired by customers. We shall see that value cannot be immediately translated into a price without the mediation of a specific mechanism which is called a market. By obeying the laws of demand and supply, free markets ideally achieve an equilibrium at which the price of goods and services is fair and the resources used to produce them are optimally allocated.

### **Week 5: Market Disequilibrium, Value and Money**

**Key concepts/issues:** Persistent shortage, currency, liquidity, risk, narrow money, rate of interest

#### **Literature for this session:**

Dobson & Palfreman, chapters 4 & 21

**Content:** Market equilibrium is per definition temporary, and external factors can influence the relationship between supply and demand. In reality some markets do not achieve equilibrium even when the forces of supply and demand have had time to adjust. This is mostly due to governmental pricing intervention. We shall see how such intervention usually results in persistent shortages or surpluses. In the second part of this session we will discover what money is and that money markets themselves are also subject to the laws of demand and supply.

### **Week 6: Cost and Profit**

**Key concepts/issues:** Normal profit, law of increasing cost, economy of scale, allocative/production efficiency, marginal revenue, perfect competition

**Literature for this session:**

Dobson & Palfreman, chapter 7

Gillespie, chapter 10

**Content:** We have seen that one of the pre-suppositions of economics as a science is the profit-maximizing behaviour of humans. In this session we shall see how this can be understood. To produce a service or a good necessarily entails costs. On the other hand, to be viable, firms need to generate a profit in the long-run. So, how can this be achieved, and under what conditions does one know that a firm is performing optimally within certain market conditions?

**Week 7: Markets, Marketing and the Media**

**Key concepts/issues:** Target markets, market analysis, market segmentation, purchasing power, consumer behaviour

**Content:** In this session we will look at how marketers use economic information to fight for the customer's "share of wallet". Media play a central role in the related competition for customer and investor attention. We shall study this concretely by comparing the content offered by some of the most important economic and financial sources of information.

**Week 8: Macro-economics**

**Key concepts/issues:** Circular flow model, growth, employment, inflation

**Literature for this session:**

Dobson & Palfreman, chapter 13

Gillespie, chapter 16

**Content:** Macroeconomics look at the economy "as a whole". One way representing the totality of an economy as a self-contained system is by using circular flow models. Traditionally macro-economics has been concerned with three main issues: economic growth, price stability and (un)employment. The political reasons for focusing on these three issues will be discussed in detail.

**Week 9: Economic Growth**

**Key concepts/issues:** GDP, GNP, income per capita, consumption, value added, expenditure/output method

**Literature for this session:**

Dobson & Palfreman, chapter 14

Gillespie, chapter 18

Raworth, chapter 7

**Content:** Economic growth is critical to the development of modern societies. Hence, growth indicators are probably the most discussed issue in macroeconomics. But, it is not only the numbers themselves that are being hotly debated by politicians, economists and the media, but also the way they have been calculated and by which institution. This is a hot topic, because credible growth numbers are considered a sound basis for economic as well as political decision making.

## **Week 10: Employment and Price Stability**

**Key concepts/issues:** Indicators, GDP deflator, headline inflation, natural rate of unemployment, price index, Phillips curve, wage-price spiral, full employment, purchasing power

### **Literature for this session:**

Dobson & Palfreman, chapters 15 & 23

Gillespie, chapter 15

Formative sources:

About employment, "The natural rate of unemployment", The Economist.

**Content:** Employment and the stability of prices are, besides growth, evidently essential to the well-being of the citizens. They are, for instance, highly relevant to the setting of interest rates. They are attentively scrutinized, not only by politicians and economists, but also by a whole range of professionals, such as financial managers, academics, bankers, trade union leaders, entrepreneurs, secret services, and ... the media.

## **Week 11: Aggregate Supply and Demand Model**

**Key concepts/issues:** Fiscal/monetary policy, macroeconomic equilibrium, price level, real output

### **Literature for this session:**

Dobson & Palfreman, chapter 17

Gillespie, chapter 19

**Content:** A classic method to measure the economy "as a whole" is to add up the totality of supply and demand of an economy. This method has been inspired by microeconomic, bottom-up reasoning. It has the advantage to expose the constitutive components of the economy. We will use this aspect of the method to provide an insight into the interrelatedness of the economy "as a whole".

## **Week 12: Macroeconomic Equilibrium**

**Key concepts/issues:** Fiscal/monetary policy, price level, real output, inflation, exchange rate, business cycle

### **Literature for this session:**

Dobson & Palfreman, chapter 17

**Content:** If micro-economic equilibrium is probably an exception in reality, macroeconomic equilibrium is very probably an illusion. The aggregate supply and demand model has obvious limitations and a lot of

critics, so why study it at all? The model, however deficient, provides an insight into the factors causing the perpetual disequilibrium of the economy “as a whole”. We will discuss the most important ones, such as governmental policy and the business cycle, in this session.

### **Week 13: Fiscal Policy**

**Key concepts/issues:** Stabilizer, multiplier, deficit, surplus, discretionary/expansionary fiscal policy, taxation, redistribution of income

#### **Literature for this session:**

Dobson & Palfreman, chapter 20

Gillespie, chapter 22

Formative source:

About Keynes' multiplier, “Fiscal multipliers”, The Economist.

**Content:** It is in matters of taxation that economics and politics are the most closely intertwined. A state, like any economic agent, needs income to pay for the cost of production of its goods and services. The levying of taxes is the most common way for states to generate revenue. This involves three main issues: the nature of the taxes, their rate or level, and the question as to whom they apply. Especially the last issue is politically sensitive and raises many moral questions concerning social justice. These will also be addressed in this session.

### **Week 14: Monetary Policy**

**Key concepts/issues:** Central bank, equation of exchange, money multiplier, openmarket operations, reserve ratio, gold standard

#### **Literature for this session:**

Dobson & Palfreman, chapter 22

Gillespie, chapter 23

**Content:** Since the second part of the XX th century the vast majority of democracies have taken two momentous political decisions: to depart from the gold standard of exchange rate and to devolve monetary policy to a central banking system. We shall have look at the ideas that are on the basis of these major decisions and which have mainly been formulated in the quantity theory of money. We will relate questions of monetary policy to the origins of the “great recession” and the actuality of its aftermath.