

ITEM		
1. Title of subject	ECONOMIC ENVIRONMENT	
2. Subject code	DBA 105	
3. Status of subject	Compulsory	
4. Stage	Diploma	
5. Credit Hour	Three (3)	
6. Pre-Requisite	None	
7. Assessment	Course work : 30% Final Exam : 70%	
	Course work : 30% Test 1 – 15% Test 2 – 15%	
	Final Exam : 70% Section A – MCQ – 30 questions (60%) Section B – Essay - Microeconomics (20%) Section C - Essay – Macroeconomics (20%)	
8. Semester	Semester 2, Year 1	
9. Objective of subject	Upon completion of the unit, the students should be able to: <ul style="list-style-type: none"> • Have the knowledge and understanding of economic problems and possible solutions. 	
10. Synopsis of subject	Economic Environment is the study of basic microeconomic and macroeconomic theories. Areas covered in microeconomics include price theory, cost and production theory and market structure. In macroeconomics, national income, unemployment, inflation and international trade are discussed.	
11. Details of subject	Contents	Hours

<p>Week 1 & 2</p>	<p>Topic: Introduction to Economics</p> <ul style="list-style-type: none"> • Introduction to economic concepts – scarcity, choice and opportunity cost • Production Possibilities Curve • Economic Problems • Economic Systems <hr/> <p>Learning Outcomes: After completing this unit, students should be able to:</p> <ul style="list-style-type: none"> • Differentiate between microeconomics and macroeconomics; • Explain the economic problems and how economic systems overcome these problems. <hr/> <p>Activity: Article review/ Peer presentation/class exercise</p> <hr/> <p>Further reading for this lesson:</p> <ul style="list-style-type: none"> ▪ Lecture notes/ handouts by lecturer ▪ Hashim Ali. Comprehensive Economics Guide. Chapter 1 & 2, pg 1 -19 	<p>6</p>
<p>Week 3 and 4</p>	<p>Topic: Theory of Demand and Supply, Market Equilibrium</p> <ul style="list-style-type: none"> • Demand and supply theory • Factors influencing demand and supply • Price mechanism • Price control – minimum and maximum price control • Market equilibrium <hr/> <p>Learning Outcomes: After completing this unit, students should be able to:</p> <ul style="list-style-type: none"> • Define and describe the concept of demand and supply in economics; • Adopt the concept of price mechanism and price control by government to overcome economic problems. <hr/> <p>Activity: Article review/ Peer presentation/class exercise</p> <hr/> <p>Further reading for this lesson:</p> <ul style="list-style-type: none"> ▪ Lecture notes/ handouts by lecturer ▪ Hashim Ali. Comprehensive Economics Guide. Chapter 3, pg 22 – 26 & 36 – 37 	<p>6</p>

<p>Week 5</p>	<p>Topic: Theory of Elasticity of demand and supply</p> <ul style="list-style-type: none"> • Price elasticity of demand • Income elasticity of demand • Cross elasticity of demand • Elasticity of supply <hr/> <p>Learning Outcomes: After completing this unit, students should be able to:</p> <ul style="list-style-type: none"> ◦ Distinguish between the different types of price elasticity of demand and supply; ◦ Apply and relate the concept of elasticity with price theory. <hr/> <p>Activity: Article review/ Peer presentation/class exercise</p> <hr/> <p>Further reading for this lesson:</p> <ul style="list-style-type: none"> ▪ Lecture notes/ handouts by lecturer ▪ Hashim Ali. Comprehensive Economics Guide. Chapter 3, pg 27 – 35 & 38 – 45 	<p>3</p>
<p>Week 6</p>	<p>Topic: Theory of Production and Cost of Production</p> <ul style="list-style-type: none"> • The production theory – law of diminishing returns • Concepts of cost of production • Short and long run costs • Economies of scale and diseconomies of scale <hr/> <p>Learning Outcomes: After completing this unit, students should be able to:</p> <ul style="list-style-type: none"> ◦ Describe and interpret the basic theory of production and cost of production; ◦ Describe the cost of production applications - Economies of scale and diseconomies of scale <hr/> <p>Activity: Article review/ Peer presentation/class exercise</p> <hr/> <p>Further reading for this lesson:</p> <ul style="list-style-type: none"> ▪ Lecture notes/ handouts by lecturer ▪ Hashim Ali. Comprehensive Economics Guide. Chapter 5, pg 66 - 74 & 75 – 83 	<p>3</p>

<p>Week 7 & 8</p>	<p>Topic: Market structure</p> <ul style="list-style-type: none"> • Perfect competition <ul style="list-style-type: none"> ✓ Main characteristics ✓ Short run and long run equilibrium • Monopoly <ul style="list-style-type: none"> ✓ Main characteristics – barriers to entry ✓ Short run and long run equilibrium ✓ Price discrimination • Monopolistic competition <ul style="list-style-type: none"> ✓ Main characteristics • Oligopoly <ul style="list-style-type: none"> ✓ Main characteristics <hr/> <p>Learning Outcomes: After completing this unit, students should be able to:</p> <ul style="list-style-type: none"> ◦ Distinguish between the different market structures and its characteristics; ◦ Illustrate the cost and revenue concept of each market. <hr/> <p>Activity: Article review/ Peer presentation/class exercise</p> <hr/> <p>Further reading for this lesson:</p> <ul style="list-style-type: none"> ▪ Lecture notes/ handouts by lecturer ▪ Hashim Ali. Comprehensive Economics Guide. Chapter 7, pg 84 - 107 	<p>6</p>
<p>Week 9</p>	<p>Topic: Introduction to Macroeconomics</p> <ul style="list-style-type: none"> • Macroeconomic objectives of the government • Circular flow of income of closed and opened economy • Relationship between consumption, saving and investment <hr/> <p>Learning Outcomes: After completing this unit, students should be able to:</p> <ul style="list-style-type: none"> ◦ Define and state the general macroeconomic environment and macroeconomic objectives of the government. <hr/> <p>Activity: Article review/ Peer presentation/class exercise</p> <hr/> <p>Further reading for this lesson:</p> <ul style="list-style-type: none"> ▪ Lecture notes/ handouts by lecturer ▪ Hashim Ali. Comprehensive Economics Guide. Chapter 12, pg 210 - 214 	<p>3</p>

<p>Week 10</p>	<p>Topic: National Income Accounting and their uses</p> <ul style="list-style-type: none"> • Concepts of National Income – GDP, GNP, NNP • Methods of calculating national Income • Comparison of National Income over time and space • Use of national income to measure standards of living <hr/> <p>Learning Outcomes: After completing this unit, students should be able to:</p> <ul style="list-style-type: none"> ◦ Define the concept of national income; ◦ Analyse and differentiate the different methods available to calculate national income. <hr/> <p>Activity: Article review/ Peer presentation/class exercise</p> <hr/> <p>Further reading for this lesson:</p> <ul style="list-style-type: none"> ▪ Lecture notes/ handouts by lecturer ▪ Hashim Ali. Comprehensive Economics Guide. Chapter 11, pg 171 - 188 	<p>3</p>
<p>Week 11</p>	<p>Topic: Changes in equilibrium level of national Income</p> <ul style="list-style-type: none"> • Average and Marginal Propensity to consume and save • Determination of equilibrium level of national income • Inflationary and deflationary gap • Multiplier <hr/> <p>Learning Outcomes: After completing this unit, students should be able to:</p> <ul style="list-style-type: none"> ◦ Calculate consumption, savings and multiplier; ◦ Define and describe the disequilibrium of national income and how it leads to inflationary and deflationary gap. <hr/> <p>Activity: Article review/ Peer presentation/class exercise</p> <hr/> <p>Further reading for this lesson:</p> <ul style="list-style-type: none"> ▪ Lecture notes/ handouts by lecturer ▪ Hashim Ali. Comprehensive Economics Guide. Chapter 12, pg 210 – 214 	<p>3</p>

<p>Week 12</p>	<p>Topic: Unemployment and Inflation</p> <ul style="list-style-type: none"> • Concept of unemployment • Causes /Types of unemployment and its effects • Definition of Inflation • Causes /Types of inflation and its effects <hr/> <p>Learning Outcomes: After completing this unit, students should be able to:</p> <ul style="list-style-type: none"> ◦ Explain the major economic problems, the causes and cost to the economy. <hr/> <p>Activity: Article review/ Peer presentation/class exercise</p> <hr/> <p>Further reading for this lesson:</p> <ul style="list-style-type: none"> ▪ Lecture notes/ handouts by lecturer ▪ Hashim Ali. Comprehensive Economics Guide. Chapter 9, pg 148 - 152 	<p>3</p>
<p>Week 13</p>	<p>Topic: Government Policy implications – fiscal and monetary policy</p> <ul style="list-style-type: none"> • Government intervention by using fiscal policy • Direct and indirect taxes – advantages and disadvantages • Budget – as a tool to solve economic problems • Monetary policies • Tools of monetary policy – its strengths and weaknesses <hr/> <p>Learning Outcomes: After completing this unit, students should be able to:</p> <ul style="list-style-type: none"> ◦ Explain how government policies can be applied to control and overcome major economic problems. <hr/> <p>Activity: Article review/ Peer presentation/class exercise</p> <hr/> <p>Further reading for this lesson:</p> <ul style="list-style-type: none"> ▪ Lecture notes/ handouts by lecturer ▪ Hashim Ali. Comprehensive Economics Guide. Chapter 14, pg 280 - 284 	<p>3</p>
<p>Week 14</p>	<p>Topic: The International Economy</p> <ul style="list-style-type: none"> • International Trade – reasons, advantages and disadvantages • Balance of trade and balance of payment • Balance of payment disequilibrium and methods to control such disequilibrium • Reasons for protectionism and methods used. 	<p>3</p>

	<p>Learning Outcomes: After completing this unit, students should be able to:</p> <ul style="list-style-type: none"> ◦ Describe the general concept of international trade and the economic mechanisms employed to control and facilitate it. <p>Activity: Article review/ Peer presentation/class exercise</p> <p>Further reading for this lesson:</p> <ul style="list-style-type: none"> ▪ Lecture notes/ handouts by lecturer ▪ Hashim Ali. <i>Comprehensive Economics Guide</i>. Chapter 13, pg 221-248 	
	Total	42
12. Text	<p>Compulsory Hashim Ali. (1998). <i>Comprehensive Economics Guide</i> (3rd ed.). Oxford University Press.</p> <p>References Sloman, J. (2006). <i>Economics</i> (6th ed.). London: Financial Times/ Prentice Hall. Lipsey, R. G., & Chrystal, K. A. (1995). <i>Introduction to Positive Economics</i> (8th ed.). UK: Oxford University Press. The Economic Review/ Handouts.</p>	