### Subject Code
AF1603

### Level
1

### Contact Hours
Lect: 28 Tut: 14

### Student Effort Hours
120

### Assessment Method
Coursework 50%  
Examination 50%

### Credit Value
3

### Pre-requisites
Nil

### Co-requisites
Nil

### Exclusions
Nil

### Subject Leader/Lecturer/Dept.
(AF)

---

### FOUNDATIONS OF ECONOMICS

#### Subject Aim:

This subject is intended to:

This subject aims to introduce the fundamental economic concepts that are essential in the understanding of real world economic activities. This subject also equips students with the basic tools of economic analysis.

#### Learning Outcomes:

Students will demonstrate their ability to:-

On successfully completing this subject, students will be able to:

- Apply relevant fundamental economic knowledge to explain real world situations.
- Conduct basic economic analysis.
- Understand and interpret basic economic data.

#### Brief Syllabus Content:

1. **What is economics?**  
   Scarcity and opportunity cost, The role of the market, Positive and normative, Relation with other subject disciplines.

2. **Demand and supply analysis**  
   Determinants of the demand curve, Determinants of the supply curve, Market equilibrium.

3. **Perfect competition**  
   The quest of profits and the equilibrium in a competitive market.

4. **The income and output of nations**  
   National income accounting, output determination, Economic growth, fiscal policy and aggregate demand, monetary policy and aggregate demand.

5. **Inflation and Unemployment**  
   The causes and costs of inflation, the causes and costs of unemployment

6. **International Trade**  
   Exchange rates and the balance of payments, Foreign trade and output determination

---

*Teaching activities: Lecture (LT)/Tutorial (TU)/Seminar (SM)/Drawing (DW)/Laboratory or Practical (LB)/Studio (ST)/Workshop (WS)/Project (PJ)/Field Study (FS)/Guided Study (GS)/Visit (VS)*
**Learning and Teaching Approach** *(tasks and activities designed to achieve learning outcomes):*

Lectures focus on the introduction and explanation of fundamental economic concepts, with specific reference to the analysis on common economic activities.

Tutorials provide students with the opportunity to deepen their understanding of the concepts taught in lectures. The activities in tutorials include student presentations and discussions of problems sets.

| Assessment strategy *(assessment of student performance resulting from learning tasks):* |
|---------------------------------|------------------|
| Coursework                      | 50%              |
| Final Examination               | 50%              |
| **Total**                       | **100%**         |

**Reading List:**

**Recommended:**

**Essential Reading**


**Reference List**
