

Course Code: ACT507M

Course Title: Economic Theory and Analysis

Course Description:

This course, ACT507M – Economic Theory and Analysis, will provide business economics students with a framework for understanding decision-making in work and life. It includes concepts and principles of microeconomics and macroeconomics with emphasis on their application in business, taking into account the complex nature of consumers as human beings and those of firms which are ran by business managers with their own self-interests. Economic decision making tools will be used to enable students to analyze optimal managerial decisions in the face of constraints.

The first part will discuss the theories of consumer behavior, firms and market structures to understand how price theory and allocation of scarce resources work to attain the objectives of consumers and producers, the role of government and policies in minimizing the negative effects of imperfect markets on decision-making units and promoting overall welfare.

The second part will discuss macroeconomic concepts, policies and concerns from a social economic perspective. Specifically, this will examine the state of the economy both in terms of the economic measure (gross domestic product) and social health (social well-being), and discuss what has to be done to address the limitations of the economic measures, the role of public and private investment in improving social capital and the importance of fiscal, monetary and employment policies in promoting sustainable and inclusive growth.

Department: Accountancy

References:

- Case, K., Fair, R. & Oster, S., (2014). *Principles of Economics (11th ed.)*, Pearson Education Inc., Boston, MA.
- Olivier Blanchard (2017). *Macroeconomics, 7th Edition*. Prentice Hall, Inc.
- Cowen, T. & Tabarrok, A. *Modern Principles of Economics, 3rd Edition*, Worth Publishers.
- Rittenberg, L. & Tregarthen, T. (2012), *Economic Principles*, <http://2012books.lardbucket.org/pdfs/economicsprinciples-v2.0.pdf>
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