

Liverpool John Moores University

Title: BUSINESS ECONOMICS
Status: Definitive
Code: **5518CP** (103560)
Version Start Date: 01-08-2013

Owning School/Faculty: Arts, Professional and Social Studies
Teaching School/Faculty: Dublin Business School

| Team | Leader |
|----------------|--------|
| Alistair Beere | Y |

Academic Level: FHEQ5
Credit Value: 24.00
Total Delivered Hours: 77.00
Total Learning Hours: 240
Private Study: 163

Delivery Options

Course typically offered: Standard Year Long

| Component | Contact Hours |
|-----------|---------------|
| Lecture | 50.000 |
| Tutorial | 25.000 |

Grading Basis: 40 %

Assessment Details

| Category | Short Description | Description | Weighting (%) | Exam Duration |
|----------|-------------------|---------------------------------|---------------|---------------|
| Essay | AS1 | Project Component of Final Exam | 20.0 | |
| Exam | AS2 | Examination | 50.0 | 2.00 |
| Test | AS3 | Mid Term Exam | 30.0 | |

Aims

To provide learners with a political economic framework.

To enhance learners' knowledge of the sources and application of economic data.

To give learners' the ability to integrate 'financial economy' with the 'real economy' models.

To provide learners with the skills to analyse markets/industries and wider economy.

To develop in learners an awareness of the practical implication of economic models.

Learning Outcomes

After completing the module the student should be able to:

- 1 Discuss the political economic stances of governments/organisations.
- 2 Display a comprehensive knowledge of sources and collection methods of appropriate economic data.
- 3 Explain the roles of fiscal, monetary and exchange rate policy.
- 4 Analyse markets/industries and wider economic change within structured frameworks.
- 5 Appraise the application of economic models to markets/industries and to a wider macroeconomic environment.

Learning Outcomes of Assessments

The assessment item list is assessed via the learning outcomes listed:

| | | | |
|---------------|---|---|---|
| PROJECT | 2 | 3 | 5 |
| EXAM | 1 | 3 | 4 |
| MID TERM EXAM | 1 | 4 | |

Outline Syllabus

1. *Political Economy: Schools of economic thought and their political voices (left-wing versus right wing); free markets of Smith to the government intervention of Keynes; behavioural economics/Adopted Market Hypothesis (return of Keynes) away from 'Rational Expectations'/Efficient Market Hypothesis.*
2. *Real Economy 1: Free Markets (oligopoly/ corporate structure) Cournot Model; Collusion Model (Cheat and Comply); Game Theory; Price Discrimination (1st, 2nd, 3rd degrees).*
3. *Real Economy 2: Market Failure Externalities (positive and negative consumption and production externalities), the Pigovian Tax/Subsidies; oligopolistic/monopolistic concentration and failure away from perfect competitive markets.*
4. *Real Economy 3: Keynesian Economics Return of 'depression economics'; critique of the 'Loanable Fund Theory'; Savings/Investment Model; Balance of Trade and World Interest Rates Model.*
5. *Real Economy 4: Application of Keynesian Economics Fiscal Stimulus and Monetary Policy (interest rates and quantitative easing); the contrasting policies of UK/US and the € zone.*
6. *International Economy 1: The Smith 'consensus' abroad; international free trade/globalisation and protectionism (economic nationalism and custom unions); international mobility of labour.*
7. *International Economy 2: Fixed exchange rate systems: breakdown of Bretton Woods (1944-1971) and the European Exchange Rate Mechanism crisis (1979 -*

1990s); lessons learnt for European Monetary Union (EMU); cracks and strains of the €; call for Bretton Woods II.

8. *International Debt Crisis: Financing of budget deficits, UK/US versus Piigs; fiscal compact: stock of National Debts, 60% of Debt/GDP ratio, flows of budget deficits, 3% of GDP; austerity versus quantitative easing.*

9. *Financial Economy 1: Return of free markets (1980s -2007); deregulation of financial markets and supply side polices $Q = f(K,L)$.*

10. *Financial Economy 2: Failure of free markets; rational expectations/efficient market hypothesis (EMH); adopted market hypothesis (AMH); overview of the causes of the 2008 crash and aftermath.*

11. *Political Economy revisited: Review of current/future left-wing, right-wing stances (free markets versus Keynes) in Europe/US/UK/China.*

Learning Activities

Lectures and tutorials.

References

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|------------------------|------------------------|
| Course Material | Book |
| Author | Sloman, Wride, Garratt |
| Publishing Year | 2012 |
| Title | Economics |
| Subtitle | |
| Edition | 8th |
| Publisher | Pearson |
| ISBN | |

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|------------------------|-------------------------|
| Course Material | Book |
| Author | Turly, Maloney, O'Toole |
| Publishing Year | 2011 |
| Title | Economics |
| Subtitle | An Irish Text |
| Edition | 4th |
| Publisher | Gill & McMillan |
| ISBN | |

Notes

The module is designed in order that learners can appreciate the roots of political economic perspectives existing in the world today; to understand the free market approach and the government interventionist approach of policy (e.g. austerity v quantitative easing). Learners will also apply the theoretical frameworks provided in lectures to individual markets/industries and wider macro environments to enable them to have a more sophisticated view of the political economic events taking place

outside the classroom.