



# **ECON5103**

## **BUSINESS ECONOMICS**

### **Course Outline**

### **Semester 2, 2012**

## **Part A: Course-Specific Information**

Students are also expected to have read and be familiar with **Part B Supplement to All Course Outlines**. This contains Policies on Student Responsibilities and Support, Including Special Consideration, Plagiarism and Key Dates.

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# 1 STAFF CONTACT DETAILS

## **Alexandre Dmitriev**

a.dmitriev@unsw.edu.au  
Room 3117  
Quad Building  
Phone 9385 3351  
Consultation Times – TBA

## **Mariano Kulish**

TBA  
Consultation Times – TBA

Consultation times and tutors will be posted on Course Website.

### **1.1 Communications with staff**

We strongly encourage all enquiries about the subject material be made at lectures or tutorials or during consultation time. Email communication should be used for advising of absence, or other administrative matters, or for arranging an appointment outside of consultation hours.

Please note that the lecturers have no advance notice of the date and time of the final exam.

# 2 COURSE DETAILS

## **2.1 Teaching Times and Locations**

Lectures start in Week 1 (to Week 12): The times and locations are:

Stream A: Tuesday 6pm-8pm, Mathews Theatre C (K-D23-303)

Stream B: Tuesday 12noon-2:00pm, Central Lecture Block 4 (K-E19-G05)

Tutorials (1 hour per week) start in Week 2 (to Week 13).

A full list of tutorial times and locations will be on the Course Website.

## **2.2 Units of Credit**

The course is worth 6 units of credit.

There is no parallel teaching in this course

## **2.3 Summary of Course**

This course is an introduction to economic analysis, with particular application to decision-making in business, and the effects of policy on the broader economic environment in which business decisions must be made.

## **2.4 Aims and Relationship to Other Courses**

The aim of this course is to provide an introduction to economic concepts and methods of analysis, to enable students to understand and use economic arguments in business decision making. The course assumes no previous study of economics.

ECON5103 is a prerequisite for other postgraduate courses offered by the School of Economics. It is also designed to satisfy the requirements of professional bodies, which require their members to have a basic knowledge of Economics.

There are no prerequisites for this course.

## 2.5 Student Learning Outcomes

On completion of this course, students should be able to:

1. Describe key micro- and macro-economic concepts.
2. Construct economic arguments in terms of these concepts.
3. Critically read and evaluate economic stories in the media.
4. Apply simple economic models to the analysis of the relevant economic issues.

### Graduate Attributes

Learning Outcomes	ASB Graduate Attributes	Attribute No.
1, 2, 3	Critical thinking and problem solving	1
2, 3	Communication	2
-	Teamwork and leadership	3
1, 3	Social, ethical and global perspectives	4
2, 4	In-depth engagement with relevant disciplinary knowledge	5
1, 2, 3, 4	Professional skills	6

## 3 LEARNING AND TEACHING ACTIVITIES

### 3.1 Approach to Learning and Teaching in the Course

The philosophy underpinning this course and its Teaching and Learning Strategies are based on “Guidelines on Learning that Inform Teaching at UNSW. These guidelines may be viewed at: [www.guidelinesonlearning.unsw.edu.au](http://www.guidelinesonlearning.unsw.edu.au). Specifically, the lectures, tutorials and assessment have been designed to appropriately challenge students and support the achievement of the desired learning outcomes. A climate of inquiry and dialogue is encouraged between students and teachers and among students (in and out of class). The lecturers and tutors aim to provide meaningful and timely feedback to students to improve learning outcome.

### 3.2 Learning Activities and Teaching Strategies

The examinable content of the course is defined by the references given in the Lecture Schedule, the content of Lectures, and the content of the Tutorial Program.

#### *Lectures*

The purpose of Lectures is to provide a logical structure for the topics that make up the course; to emphasize the important concepts and methods of each topic, and to provide relevant examples to which the concepts and methods are applied.

#### *Tutorials*

Tutorials follow the lectures by one week.

The purpose of the tutorial is to reinforce and clarify the concepts and issues covered in the lectures, and identify and remedy any problems with understanding.

A Tutorial Program for tutorials will be posted on the Course website

#### *Out-of-Class Study*

While students may have preferred individual learning strategies, it is important to note that most learning will be achieved outside of class time. Lectures can only provide a structure to assist your study, and tutorial time is limited.

An “ideal” strategy (on which the provision of the course materials is based) might include:

- Reading of the relevant chapter(s) of the text and any readings **before the lecture**. This will give you a general idea of the topic area.
- Attendance at lectures. Here the context of the topic in the course and the important elements of the topic are identified. The relevance of the topic should be explained.
- Attempting the tutorial questions before the tutorial, and checking the answers.
- Attending tutorials, asking the tutor to explain those questions which provided difficulties.

## 4 ASSESSMENT

### 4.1 Formal Requirements

In order to pass this course, you must:

- achieve a composite mark of at least 50 out of 100;
- make a satisfactory attempt at ALL assessment tasks. This includes attendance at 80% of tutorials (9 out of 12) and a mark of at least 40% in the assignment and mid-session exam; and
- Achieve a satisfactory level of performance in the final exam. This means a minimum mark of 46 per cent. Any student having an overall mark of 50 or more but less than 46 per cent in the final examination will be given an UF grade (unsatisfactory fail).

### 4.2 Assessment Details

Assessment Task	Weighting	Learning Outcomes assessed	ASB Graduate Attributes assessed	Length	Due Date
Mid-session Examination	20%	1,2,4	1,2,4,5,6	60 minutes	Week 6 - 21 August
Assignment	20%	1,2,4	1,2,4,5,6	800-1000 words	TBA
Final Exam	60%	1,2,4	1,2,4,5,6	2 hours	University Exam Period

### 4.3 Tutorial Participation

No marks are awarded for tutorial attendance. However, a record of attendance at tutorials will be kept. **Students should note that** 80% attendance is required by UNSW and ASB rules. In certain circumstances, such as where a request for special consideration is made in relation to assessment items, tutorial attendance will be taken into account in determining your final assessment or whether special consideration is granted.

Attendance at 9 of 12 tutorials will be deemed as meeting the requirement. Students must sign on by 10 minutes from the start of tutorial to qualify as 'in attendance'. Signing on for another student will be treated as misconduct. If, owing to illness or other exceptional circumstances, you are unable to attend your usual tutorial, you may try to attend another tutorial in the same week. However, you are required to attend your usual tutorial class at least 9 times during the session. This allows for occasional absence due to minor illness and other reasons, hence special consideration applications will not reduce this requirement.

### 4.4 Midsession Exam

There will be a mid-session exam held in your lecture in Week 6 (21 August). The exam will consist of 20 four-alternative multiple choice questions covering Weeks 1-4 of the Lecture Program. The Exam will be 60 minutes in length. Details of locations for the exam will be advised on the course website.

A sample paper for the Midsession Exam will be provided on the course website.

There will be **NO supplementary tests** offered for the mid-session exam. You should make every effort to take the mid-session exam. Students who fail to attend the examination will need to apply for Special Consideration.

In cases of serious illness, students will need full and convincing documentation of that illness. Students who are found to be genuinely too ill to have attended the exam will have their mark in the final exam re-weighted to include the mark reserved for the missed test. In all other cases of non-attendance students will receive a grade of zero. Employment obligations or holiday plans of any kind are not acceptable reasons for absence from any test/examination.

Applications for special consideration must be **lodged online through myUNSW within 3 working days of the assessment** (Log into myUNSW and go to My Student Profile tab > My Student Services channel > Online Services > Special Consideration). Then submit the originals or certified copies of your supporting documentation and a completed Professional Authority form (pdf - download here) to Student Central.

### 4.5 Assignment

The topics, format and marking criteria for the Assignment will be set out in a separate document on the course website.

### 4.5.1 Submission Procedure

Students must submit 1 hard copy AND 1 electronic copy of their assignment. The electronic copy is to be submitted to the course website by 11:59pm on the specified date. Instructions will be available on the website. Browse and upload a copy of your document - do not paste text. Use your student ID in the file name. All electronic copies of essays will be checked for plagiarism on the Turnitin software into which they are uploaded. See notes on Plagiarism below and also note that the Turnitin software will automatically check against all other assignments submitted.

The hard copy is to be submitted to the the School of Economics assignment box, located on the ground floor of the Australian School of Business building, in the West wing by 4:59pm on the day following submission of the electronic copy. Do not use plastic sheets or binders. Simply staple the pages together. Your name and ID should be on the cover page.

### 4.5.2 Late Submission

20% of the value of each assignment will be deducted for each day (24 hours) or part thereof which the electronic copy of an assignment is submitted to the course website after the deadline.

However, if your hard copy is submitted more than three days late, 10% of the value of each assignment will be deducted for each day (24 hours) or part thereof. This is over and above any penalty for late submission of the electronic copy.

### 4.5.3 Late Submission of Assignment

Special consideration does not normally apply to late submission of assignments. You will have many weeks to do each assignment and it is your risk if you leave it to the last few days to complete.

Late submission will be considered only in extreme circumstances. Any student, who for reasons of **serious illness cannot submit before the submission date**, will need **full and convincing documentation of that illness**, specifically a valid medical certificate which covers the period 4 days prior to the submission deadline. In cases where students have applied for special consideration, assignments must still be submitted within five days of the submission date or they will not be marked.

Special consideration will only allow a waiver of part of the late penalty: one day's penalty for each two days of illness. Students should also note that satisfactory performance in the course to that time, including attendance at tutorials, will be taken into account by the Lecturer-in-charge in deciding whether to approve an application for consideration.'

Employment obligations or holiday plans of any kind are not acceptable reasons for absence from any test/examination.

Applications for special consideration must be **lodged online through myUNSW within 3 working days of the assessment** (Log into myUNSW and go to My Student Profile tab > My Student Services channel > Online Services > Special Consideration). Then submit the originals or certified copies of your supporting documentation and a completed Professional Authority form (pdf - download here) to Student Central.

## 4.6 Final Exam Format

The Final Exam will be held in the University examination period and will be 2 hours long. The final exam will cover the entire course. The format of the examination will be:

Part A: Multiple choice questions

Part B: choice of essay type questions from Lectures Weeks 1-7.

Part C: choice of essay type questions from Lectures Weeks 8-13.

A sample practice exam will be provided on the course website. Further information on the content of the Final Exam will be provided towards the end of session. The purpose of the final exam is to assess knowledge of economic concepts and their appropriate use, to test the ability to use economic reasoning to make deductions, and to test the ability to perform simple calculations of costs and benefits.

Past exam papers can be useful for students' preparation. As outlined in 3.2 above all material covered in the lectures and tutorial program is examinable.

## 4.7 Quality Assurance

The ASB is actively monitoring student learning and quality of the student experience in all its programs. A random selection of completed assessment tasks may be used for quality assurance, such as to determine the extent to which program learning goals are being achieved. The information is required for accreditation purposes, and aggregated findings will be used to inform changes aimed at improving the quality of ASB programs. All material used for such processes will be treated as confidential and will not be related to course grades.

# 5 COURSE EVALUATION AND DEVELOPMENT

Each year feedback is sought from students and other stakeholders about the courses offered in the School and continual improvements are made based on this feedback. UNSW's Course and Teaching Evaluation and Improvement (CATEI) Process is one of the ways in which student evaluative feedback is gathered. You are strongly encouraged to take part in the feedback process.

# 6 COURSE RESOURCES

The website for this course is on UNSW Blackboard at:

<http://lms-blackboard.telt.unsw.edu.au/webapps/portal/frameset.jsp>

The textbook for this course is:

C.Bajada . J.Jackson , R. Mclver, E.Wilson *Economic Principles* McGraw - Hill Education, 2012 (3<sup>rd</sup> Edition) referred to as **(BJMW)**

Other references and readings may be provided in Lectures and on the website.

## 7 COURSE SCHEDULE

### 7.1 Lecture Schedule

Week	Topic	Reference
Week 1 16 - 20 Jul	<b>Introduction to Economic Concepts</b> <i>Production Possibilities Curve, Opportunity Cost, Efficiency, Comparative Advantage</i>	<b>Reading: BJMW</b> Ch 1, Ext.Ch 2 pp443-449
Week 2 23 - 27 Jul	<b>The Competitive Market Model</b> <i>Demand, Supply and Equilibrium</i>	<b>Reading: BJMW</b> Ch 2
Week 3 30 Jul - 3 Aug	<b>Applications of the Competitive Model</b> <i>Elasticity, Floor and Ceiling Prices, Tax Incidence</i>	<b>Reading: BJMW</b> Ch 3, <b>Topic Notes:</b> Consumer and Producer Surplus
Week 4 6 - 10 Aug	<b>The Theory of the Firm and the Perfectly Competitive Market</b> <i>Production and Costs</i> <i>The Perfect Competition Market Model</i>	<b>Reading: BJMW</b> Ch 4, Ch 5 pp108-128
Week 5 13 - 17 Aug	<b>Market Models</b> <i>Monopoly, Oligopoly and Monopolistic Competition</i> <i>Strategic Market Behaviour</i>	<b>Reading: BJMW</b> Ch 5 pp129-152; Ch6
Week 6 20 - 24 Aug	<b>Mid Session Exam held this week.</b> <b>No lecture or Tutorials in this week</b>	
Week 7 27 - 31 Aug	<b>Market Failure I: Uncertainty, Transaction Costs, Contracts and Principal-Agent problems</b> <i>Risk &amp; Uncertainty, Principal-agent problems, risk, moral hazard and adverse selection</i> <b>Market Failure II</b> <i>Externalities and Public Goods</i>	<b>Reading: Topic Notes</b> Transaction Costs  <b>Reading: BJMW</b> Ch 7
Mid-Session Break: Week 3 - 7 September		
Week 8 10 - 14 Sept	<b>The Macroeconomic Environment &amp; its Measures</b> <i>GDP, Balance of Payments, Inflation &amp; Unemployment</i>	<b>Reading: BJMW</b> Ch 8
Week 9 17 - 21 Sept	<b>Aggregate Demand &amp; Supply</b>	<b>Reading: BJMW</b> Ch 9
Week 10 24 - 28 Sept	<b>Fiscal Policy &amp; the Public Debt</b> <i>Discretionary, non discretionary, financing debt</i>	<b>Reading: BJMW</b> Ch 10
Week 11 2 - 5 Oct	<b>Monetary Policy &amp; the Financial System</b> <i>Money, money multiplier, RBA and Monetary Policy</i>	<b>Reading: BJMW</b> Ch 11
Week 12 8 - 12 Oct	<b>The International Monetary Sector</b> <i>Flexible and Fixed Exchange Rates</i> <b>Economics of Growth</b> <i>Definitions, Australia's growth, Adv/Disadvantages</i>	<b>Reading: BJMW</b> Ch 13 pp391-397 <b>Reading: BJMW JMB</b> Ext Ch 5 pp560-564, 571-589
Week 13 15 - 19 Oct	NO LECTURES	

## 7.2 Tutorial Schedule

Tutorials start in Week 2 and finish in Week 13.

TUTORIAL SCHEDULE		
Week	Topic	Reference
Week 1 16 - 20 Jul	NO TUTORIALS	
Week 2 23 - 27 Jul	<b>Introduction to Economic Concepts</b> <i>Production Possibilities Curve, Opportunity Cost, Efficiency, Comparative Advantage</i>	<b>Reading: BJMW</b> Ch 1, Ext.Ch 2 pp443-449
Week 3 30 Jul - 3 Aug	<b>The Competitive Market Model</b> <i>Demand, Supply and Equilibrium</i>	<b>Reading: BJMW</b> Ch 2
Week 4 6 - 10 Aug	<b>Applications of the Competitive Model</b> <i>Elasticity, Floor and Ceiling Prices, Tax Incidence</i>	<b>Reading: BJMW</b> Ch 3, <b>Topic Notes:</b> Consumer and Producer Surplus
Week 5 13 - 17 Aug	<b>The Theory of the Firm and the Perfectly Competitive Market</b> <i>Production and Costs</i> <i>The Perfect Competition Market Model</i>	<b>Reading: BJMW</b> Ch 4, Ch 5 pp108-128
Week 6 20 - 24 Aug	No tutorials this week ( Midsession Test)	
Week 7 27 - 31 Aug	<b>Market Models</b> <i>Monopoly, Oligopoly and Monopolistic Competition</i> <i>Strategic Market Behaviour</i>	<b>Reading: BJMW</b> Ch 5 pp129-152; Ch6
Mid-Session Break: Week 3 - 7 September		
Week 8 10 - 14 Sept	<b>Market Failure: Uncertainty, Transaction Costs, Contracts and Principal-Agent problems</b> <b>Externalities and Public Goods</b>	<b>Reading:</b> <b>Topic Notes</b> Transaction Costs <b>BJMW</b> Ch 7
Week 9 17 - 21 Sept	<b>The Macroeconomic Environment &amp; its Measures</b> <i>GDP, Balance of Payments, Inflation &amp; Unemployment</i>	<b>Reading: BJMW</b> Ch 8
Week 10 24 - 28 Sept	<b>Aggregate Demand &amp; Supply</b>	<b>Reading: BJMW</b> Ch 9
Week 11 2 - 5 Oct	<b>Fiscal Policy &amp; the Public Debt</b> <i>Discretionary, non discretionary, financing debt</i>	<b>Reading: BJMW</b> Ch 10
Week 12 8 - 12 Oct	<b>Monetary Policy &amp; the Financial System</b> <i>Money, money multiplier, RBA and Monetary Policy, Flexible and Fixed Exchange Rates</i>	<b>Reading: BJMW</b> Ch 11 Ch 13 pp391-397
Week 13 15 - 19 Oct	<b>The International Monetary Sector</b> <i>Flexible and Fixed Exchange Rates</i> <b>Economics of Growth</b> <i>Definitions, Australia's growth, Adv/Disadvantages</i>	<b>Reading: BJMW</b> Ch 13 pp391-397 <b>Reading: BJMW JMB</b> Ext Ch 5 pp560-564, 571-589