

COURSE CONTENT

Course Coordinator	Tan Khay Boon
Course Code	HE5091
Course Title	Principles of Economics
Pre-requisites	Nil
No of AUs	3
Contact Hours	36 hours (2 hours lecture and 1 hour tutorial per week)

Course Aims

1. Educate participants on the fundamental concepts of microeconomics and macroeconomics involving individuals, firms, governments and economies.
2. Teach participants to analyze basic economic theories.
3. Guide participants to apply economic tools to analyze economic issues.

Intended Learning Outcomes (ILO)

By the end of this course, you (as a student) would be able to:

1. Explain market equilibrium, examine factors affect market equilibrium, and predict changes in equilibrium
2. Explain the usefulness of elasticities and apply rational spending rule
3. Compare and Contrast between perfect competition and monopoly
4. Construct payoff matrix and solve game theory
5. Differentiate positive and negative externalities and examine their efficiencies
6. Analyze and explain the effects of public policies
7. Explain the concepts of GDP, inflation and unemployment
8. Analyze the factors that affect growth, inflation and unemployment in the economy
9. Differentiate the capital markets and examine their functions in an economy
10. Examine the linkage between aggregate expenditure and equilibrium output
11. Explain multiplier effect and solve for equilibrium using multiplier
12. Apply AD-AS Model to analyze and predict the equilibrium in an economy
13. Summarize the factors that affect exchange rate and compare and contrast between the fixed and flexible exchange rate systems
14. Explain the linkage between trade balance and capital flows

Course Content

This course covers fundamental tools and applications of concepts in microeconomics and macroeconomics. The section on microeconomics focuses on markets as a mechanism for allocating scarce resources. Using diagrams and simple mathematics, it analyses demand, supply, market system and the concepts of elasticity. It also addresses market efficiency, outcomes from market failures, production and firms with market influence. The section on macroeconomics addresses the determinants of GDP and the forces that shape the Economy in both the short run and the long run. Topics include the calculation of GDP, analysis of inflation and employment, theory of economic growth, the role of financial markets, fiscal and monetary policies and the international economy.

Assessment (more details will be announced in class)

Continuous Assessment: 40%

Final Examination: 60%

Total	100%

Reading and References

Robert H. Frank and Ben S. Bernanke and Hon-Kwong Lui (FBL), Principles of Economics Asia Global Edition, McGraw Hill, 2015.

Course Instructors

Instructor	Office Location	Email
Tan Khay Boon	SHHK Level 6 Churchill Room	khayboon@ntu.edu.sg

Planned Weekly Schedule

Week	Topic	Course LO	Readings/ Activities
1	Introduction to Economics	LO1	Textbook Chapters 1, 3 & 6 Tutorial 1
2	Elasticity and Consumer Behaviour	LO2	Textbook Chapters 4, 5 & 6 Tutorial 2
3	Perfect Competition, Production and Efficiency	LO3	Textbook Chapters 6 & 7 Tutorial 3
4	Imperfect Competition and Game Theory	LO3 and LO4	Textbook Chapters 8 & 9 Tutorial 4
5	Externalities, Property Rights and Economics of Information	LO5	Textbook Chapters 10 & 11 Tutorial 5
6	Economics of Public Policy	LO6	Textbook Chapters 13 & 14 Tutorial 6
7	Gross Domestic Product (GDP) and Inflation	LO7 and LO8	Textbook Chapters 15 & 16 Tutorial 7
8	Unemployment and Economic Growth	LO7 and LO8	Textbook Chapters 17 & 18 Tutorial 8
9	Capital Formation, Financial Markets and Money Supply	LO9	Textbook Chapters 19, 20 & 23 Tutorial 9
10	Aggregate Expenditure and Stabilization Policy	LO10 and LO11	Textbook Chapters 21, 22 & 23 Tutorial 10
11	Aggregate Demand, Aggregate Supply and Macroeconomic Policy	LO12	Textbook Chapters 24 & 25 Tutorial 11
12	Exchange Rate, International Trade and Capital Flow	LO13 & LO14	Textbook Chapters 26 Tutorial 12