



Griffith College Dublin

Faculty of Business

Module Descriptions Autumn 2012

Course: BA in Business Studies

STAGE 1

MICRO ECONOMICS

Theme: Business Environment

Assessment Weighting: 40% Coursework

60% Examination

INTRODUCTION

Microeconomics is the branch of economics that studies how people make decisions and how these decisions interact.

Economics underpins a great deal of decision-making in business and as such is an essential cornerstone in any business qualification. This module is designed to introduce students to the fundamentals of microeconomics. Emphasis during the module will be placed on making the theory as applicable as possible to real life applications.

Economists approach problems differently from other professionals; this module will provide a new lens through which the student can view problems and thus understand more fully the decision making process in business.

AIMS

The aims of this module are to:

- Expose students to the principal theories and models used by economists to assess problems and search for solutions
- Build firm foundations on which students can develop and build upon their knowledge
- Encourage students to approach problems from many angles using economic theories and models.

LEARNING OUTCOMES

On successful completion of this module, students should be able to:

- Demonstrate an in depth understanding of the forces driving demand and supply and their impact on market conditions
- Calculate and interpret various economic parameters such as equilibrium price and quantity, elasticities, average costs, marginal costs etc.
- Completely distinguish between the objectives of firms
- Debate and explain topical economic problems and issues confidently
- Illustrate and infer the effect various government policies such as taxes and subsidies will have on economic parameters such as price and profit
- Classify firms into different market structures and show how competitive structures influence the individual firm's behaviour
- Identify the causes of market failure.

INDICATIVE MODULE CONTENT

Introduction to Microeconomics

- What do economists study?
- Economic models and graphs, which illustrate economic issues

Demand supply and market equilibrium

- Demand and supply curves
- The determinants of equilibrium price and quantity
- Government interference in the free market
- Applications of demand and supply analysis
- Different economic systems

Elasticity and forecasting

- Elasticity of demand and supply
- Relationship between elasticity, total revenue and price
- Applications of elasticity

Costs and Production

- Short run production and the law of diminishing returns
- Long run production
- Costs in the short run and the long run
- Interpretation of average costs and the implications for the firm

Market structures and pricing decisions

- Comparison of various market structures
- Government regulation of monopolies and oligopolies

Factor markets

- Wage determination and minimum wage legislation
- Economic rent
- Sources of profit

Market Failure and government policy

- Externalities, monopoly power, public goods, merit goods and ignorance
- Government regulation of the market
- Applications of market failure issues