**School of Business and Management, FCCU**

**Economic Applications for Business BUSN-225**

**Spring 2023**

**Credits: 3**

**Instructor:**

**Name: Umar Sharif**

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**Course Description and Outline:**

**Pre-requites: BUSN 121**

**Aims:**

The main objective of this course is to make students aware of the various macroeconomics concepts and policies that impact businesses. This course will help students to grasp the understanding of various macroeconomic relationships and their interaction that shape the business environment. By the end of this course students will be well versed with economic language and its interpretation with respect to the business and decision making.

**Learning Outcomes:**

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

* Recognize and understand different economic concepts, terminologies and principles.
* Apply course knowledge to understand practical macroeconomic issues and problems.
* Demonstrate team work in discussing and analyzing government policies and their impact.
* Able to link the class knowledge to understand economics in the news.

**Learning Process:**

Lectures and tutorials will form the basis of delivery, but you may also be responsible for solving problems/questions on your own.

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| **1ST and 2nd week** | Demand and Supply overview, Components of aggregate demand, National Income Accounting  Nominal and Real GDP, Expenditure and Income Method to calculate GDP, what is not included in GDP, Savings and Investment equilibrium, autonomous vs induced consumption and investment. Equilibrium in money market, negative relationship between interest and investments. |
| **3rd and 4th week** | Simultaneous equilibrium in Goods and money markets, GDP Deflator, Real GDP per capita, Economic Growth, causes of economic growth, benefits of economic growth, policies to boost economic growth. |
| **5th and 6th week** | Aggregate demand, changes in aggregate demand, aggregate supply and changes in aggregate supply, inflation with reference to AD and AS i.e. demand pull and cost push inflation. |
| **7th and 8th Week** | Calculation of inflation, causes and effects of inflation on economic participants (consumers, businesses and exports) policies to reduce inflation, Role of expectations regarding inflation and forecasts. |
| **8th Week** | Quiz, Revision and Mid Term Exams |
| **9th and 10th Week** | Money supply, Quantity theory of money, Credit creation by commercial banks, central bank functions, demand for money, equilibrium interest rates, supply of money. |
| **11th Week** | Monetary policy tools, objectives of monetary policy, traditional functions that SBP performs. |
| **12th Week and 13th Week** | Fiscal Policies, Expansionary and Contractionary Fiscal Policies, Budget Deficits, crowding out effects of Government borrowing, Bond prices and interest rates. |
| **13th week** | Financial Economics, present value method, risk and diversification. Bonds Market, inverse relationship between bond prices and interest rates. |
| **14th and 15th Week** | Current account deficit features, policies to reduce current account deficit, understanding exchange rates, effects of depreciation and appreciation of exchange rates, how inflation influences exchange rate. |

**Assessment Strategy:**

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| **Description/Details** | **Weightage** |
| Quizzes | 20 |
| Assignments/Project & Presentations | 20 |
| Mid Term Exams | 25 |
| Final Exams | 35 |
| Total | 100 |

**Important Notes:**

* Absolute grading as per FCC criteria would be followed.
* Assignments/Project which have more than 15% plagiarism would be rejected and marked zero.
* In case of late submission 2 marks will be deducted for the first day and 1 mark afterwards if late submission extends beyond one day.
* Minimum 85 % attendance is mandatory to qualify the course, otherwise you will be barred from examination.

**Extenuating Circumstances and Poor Performance:**

Students who are unable to submit work within 10 working days after the submission date due to verifiable extenuating circumstances which are serious and exceptional, may submit a case for consideration in accordance with the University’s Extenuating Circumstances Procedure.

The university operates a universal scheme for the submission of extenuating circumstances. If you feel that you have extenuating circumstances than you need to submit an envelope marked ‘’Extenuating Circumstances’’ with all your details like the year of study, the name of the student, the name of the course leader and of course with the relevant documentary evidence such as medical certificates.

**Cheating, Plagiarism and Using Unfair means to Enhance Performance:**

The University regards any use of unfair means in an attempt to enhance performance or to influence the standard of award obtained as a serious academic and disciplinary offence. Unfair means include all forms of cheating, plagiarism and collusion.

All instances or allegations of the use of unfair means will be investigated.

It is therefore essential that you acknowledge an author’s work that you may have used to support an argument in any of your assignments.

Plagiarism is a particular form of cheating that the university is concerned about. All work that is submitted for assessment must be genuinely your own work and not the result of plagiarism. If you are quoting actual words from a published or unpublished text you must use quotation marks and cite your source. In order to avoid accusation of plagiarism you should use the Harvard Referencing System. This will ensure that there is no ambiguity.

You must also not pass work off as the result of your individual efforts, if you have infact colluded with other students to prepare the piece of work jointly, or you have copied each other’s work. Clearly, it is also wrong to copy another student’s work without them knowing about it.

You are advised to read the extract on this subject in the university Regulations. If you have any doubts on this important matter, you are advised to speak with the module tutor or course Leader.

**Prescribed Text: (Latest editions)**

**Economics by McConnel L Brue and Macroeconomics by Samuelson**

**Additional Readings:**

**Economics Today by Miller**

**Macroeconomics by Case and Fair**

**MacroEconomics by Colander McGraw Hill**

**MacroEconomics by David Romer**

**Macroeconomics by Mankiw**

**Modern Economics by H L Ahuja**

**Instructor: Umar Sharif HOD……………… Dean………….**