

Department: Business

Grade level: 13

Title of Course: Economics

Duration: September 2024–April 2025

Description of the Course:

This course offers a comprehensive introduction to Economics, exploring how societies efficiently use scarce resources to enhance both private and social welfare. Students will examine the roles of individuals, households, firms, governments, and international institutions in resource allocation. The course aims to deepen understanding of economic issues and foster informed commentary, preparing students for further specialization or careers in related fields such as finance, accounting, or law. By introducing fundamental economic philosophies and developing logical, critical, and impartial thinking, this course equips students to contribute effectively to economic and social development both locally and globally.

Course Prerequisites:

- Strong verbal and written communication skills.
- A solid background in Mathematics and CSEC Economics would be an asset.

Course Objectives: Upon completion of this course, students will have the ability to:

1. ***Comprehend Economic Principles:*** Promote understanding of fundamental economic principles and concepts widely accepted by economists while acknowledging the field's ongoing evolution.
2. ***Analyze Economic Problems:*** Develop an appreciation for the diverse methods economists use to analyze economic issues and challenges.
3. ***Understand Global Economics:*** Cultivate an understanding of the global economy, focusing on the relationships between affluent and developing nations, international trade, finance, and key international financial institutions.
4. ***Apply Economic Theory:*** Encourage the application of economic principles, theories, and tools to real-world problems such as inflation, unemployment, environmental degradation, sustainable development, and exchange rate instability.
5. ***Address Caribbean Economic Issues:*** Guide students in applying economic theory to the specific challenges faced by small, open Caribbean economies.
6. ***Evaluate Economic Issues:*** Foster the ability to critically assess contentious economic issues, enabling informed decision-making through logical and critical thinking.
7. ***Promote Ethical Behavior:*** Sensitize students to the importance of ethical conduct in economic transactions and decision-making.

Student Learning Outcomes:

Students will be able to:

- demonstrate a thorough understanding of fundamental economic principles and concepts, recognizing their significance and adaptability in a continually evolving field.
- effectively apply various analytical methods used by economists to evaluate and solve economic problems.
- articulate the dynamics of the global economy, including the relationships between rich and poor nations, and the roles of international trade, finance, and key financial institutions.
- apply economic theories and principles to analyze and address real-world issues such as inflation, unemployment, environmental challenges, sustainable development, and exchange rate instability.
- apply economic theories to critically assess and address the specific economic issues facing small, open Caribbean economies.
- critically evaluate contentious economic issues, using logical and analytical thinking to inform and justify decision-making.
- recognize and advocate for ethical behavior in economic transactions and decision-making processes.

Topical Outline of the Course Content:

Module 2: Models of the Macroeconomy

Duration: September -November 2024

Topic 1: National Income Accounting

1. Circular flow of income
2. National Income Accounting: definition, calculation, interpretation and analysis.
3. GDP: definition, total measures, calculation of real GDP, nominal GDP and GDP deflator
4. Limitations of National Income Accounting

Topic 2: Classical models of the Macroeconomy

1. Voluntary employment and flexible wages
2. Restoring full employment under the classical model
3. Factors influencing aggregate demand and aggregate supply
4. Classical long run supply curve
5. Price determination under the classical model
6. Shifts in aggregate demand and aggregate supply curves

Topic 3: Basic Keynesian Models

1. Consumption function
2. The relationship between saving and consumption
3. Calculate the simple multiplier
4. The effect of changes in investment on national income
5. The effect of government spending on national income
6. Describe the effect of withdrawals and injections on national income
7. The relationship between net exports and national income
8. The equilibrium level of national income
9. Inflationary and deflationary gaps.

Topic4: Investment

1. Definition of investment
2. Difference between investment demand curve and investment curve
3. Accelerator theory
4. Factors that account for the volatility of investment

Module 2: Macroeconomic Problems and Policies

Duration: September -November 2024

Topic 1: Unemployment and Inflation

1. Labour force: employed, unemployed
2. Unemployment rate: calculator, costs, causes policies to reduce unemployment.
3. real vs. nominal variable
4. Inflation: definition, causes, measurement, effects, policies to combat inflation
5. The relationship between the unemployment rate and inflation.

Topic 2: Monetary Theory and Policy

1. Money: definition, functions, features, demand for and supply of money
2. Monetary policy: definition, types, effects on National Income, limitations
3. Money creation
4. Currency substitution
5. Quantity Theory of Money

Topic 3: Fiscal Policy

1. Fiscal policies: definition, goals
2. Budget: definition, nature of the budget,
3. balanced budget multiplier
4. methods to finance budget deficits
5. Lags and potency of fiscal policy
6. discretionary and nondiscretionary fiscal policy

Topic 4: Public Debt

1. National debt: definition, causes, effects, burden of national debt
2. reduction of the debt burden
3. debt service ratio: definition, calculation and interpretation

Module 3: Growth, Sustainable Development and Global Relations

Duration: March 2025- April 2025

Topic 1: Growth and Sustainable Development

1. Growth and development: definition, differences, factors
2. Human development
3. Structural characteristics of the Caribbean
4. Implications of regional economies

Topic 2: International Trade

1. Open vs closed economies
2. factors influencing exports and imports
3. foreign exchange earnings on a small open economy
4. Comparative and Absolute advantage: definition, determination, interpretation

5. Arguments for protectionism and trade liberalization
6. Methods of protectionism: tariffs, quotas and other non-tariff methods
7. terms of trade: definition, calculation, interpretation

Topic 3: Balance of Payments and Exchange Rates

1. Balance of Payment: definition, current account, capital account calculation
2. BOP disequilibrium: definition, causes, consequence, measures to correct.
3. Exchange rate: definition, determination, regimes, effects.

Topic 4: Economic Integration

1. main forms of economic integration
2. cost and benefits of economic integration
3. objectives of Caribbean integration
4. International integration arrangements for Caribbean economies

Topic 5: International Economic Relations

1. Roles and functions of WTO and IFI's
2. multinational corporation
3. Foreign Direct Investment (FDI): definitions, benefits, cost
4. Globalization: definition, factors, effects

Guidelines/Suggestions for Teaching Methods and Student Learning Activities:

- Lectures: Provide contextual background and detailed analysis of each topic.
- Group Discussions: Facilitate discussions on primary source documents and historical interpretations.
- Graphical representation and analysis of graphs
- Research Projects.
- Video presentations
- Case Studies
- Tutorial sessions
- Field Trips: Visits to local business, and government institutions, where applicable.
- Differentiated Instruction: Tailoring instruction to meet the needs, strengths, and interests of each student.
- Lecture-Demonstration: Combining lectures with demonstrations to enhance understanding through verbal and visual learning
- Peer Teaching: Students teach their peers, which can reinforce their own learning and enhance their understanding.
- Socratic Method: Teaching by asking thought-provoking questions to challenge assumptions and encourage critical thinking.

Guidelines/Suggestions for Methods of Student Evaluation:

- Quizzes and Tests: Regular assessments to check understanding of key concepts.
- Classwork: Assignments completed during class that help monitor ongoing student progress and understanding.

- Homework Assignments: Tasks assigned for completion outside of class, reinforcing concepts taught and promoting independent study.
- Research Papers: In-depth analysis of a specific historical event or theme.
- Class Participation: Assessment based on engagement in discussions and activities.
- Presentations: Students present their research findings to the class.
- Final Exam: A comprehensive exam covering all course material.
- Group Projects: Team assignments that assess collaborative and interpersonal skills along with individual contributions.
- Peer Reviews: A process where students evaluate each other's work, providing feedback and gaining insights from peers.
- Reflections: Written insights by students on their learning experiences, often discussing what they learned and areas for improvement.
- Self-Grading: Allowing students to evaluate their own work, fostering self-reflection and critical thinking about their performance.
- Online Quizzes and Exams: Digital tests that make use of technology to assess students' understanding in a more flexible or remote setting.

Suggested Readings, Texts, Objects of Study:

- Anderton, A. Economics, 4 th Edition, Causeway Press, 2006.
- Baumol, W. and Blinder, A. Economic Principles and Policy, Florida: Harcourt Brace and Company, 1998.
- Begg, D., Fisher, S. and Dornbusch, R. Economics, 8 th Edition, London: McGraw-Hill International (UK) Limited, 2005.
- Hosein, R., and Gookool, R. Cape Economics Study Guide Unit 1, Caribbean Examinations Council, 2007.
- Lipsey, R. and Chrystal, K. Principles of Economics, 13 th Edition, New York: Oxford University Press Inc., 2006. McConnell, C. and Brue, S. Economics: Principles, Problems and Policies, New York: McGraw-Hill Inc., 1992.
- Sloman, J. Economics, 6 th Edition, Prentice Hall, 2006.
- Todaro, M. Economics for a Developing World, New York: Longman, 1986.

Bibliography of Supportive Texts and Other Materials:

Central Bank Economic Reports, Annual Economic Reports, Quarterly Economic Bulletins, Statistical Digest from Central Banks such as ECCB, CBTT, BOJ, CBB, CBG.
 Central Statistical Services. Balance of Payments, and National Income Accounts, Survey of Living Conditions, Household Budgetary Surveys.
 Economic Planning Units Economic Reviews, Sectoral Reports from Planning Units such as PIOJ, and Ministries of Planning across the region. UNDP Human Development Reports.
 World Bank Reports, such as World Development Reports.
 Periodicals such as Businessweek, Newsweek, Fortune, Economist, Forbes and the business pages of newspapers such as Jamaica Gleaner, Trinidad Guardian or Express, Barbados Advocate.
 Budget Speeches, Public Sector Investment Programmes, Ministry of Finance Review of the Economy, and estimates of Revenue and expenditures for various territories.

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