

ECONOMICS

INTRODUCTION

This module unit is intended to equip the trainee with knowledge, skills and attitudes to enable him/her apply the economic concepts in day to day life.

General objectives

At the end of this module unit, the trainee should be able to:

- a) Recognize the role of economics in day to day life
- b) Apply the concept of demand and supply in economics analysis
- c) Demonstrate an understanding of price determination
- d) Apply production theory concept in a financial institution
- e) Demonstrate an understanding of market structures
- f) Relate the concept of money and banking to banking and financial services business environments
- g) Demonstrate an understanding of public finance concept
- h) Assess the relationship of population and unemployment in an economy
- i) Cope with emerging issues and trends in economics.

Module Unit Summary and time allocation

code	Sub-module units	Content	Time (hours)
8.1.01	Introduction to Economics	<ul style="list-style-type: none">• Meaning of economics• Scope of economics• Human wants• Economic resources• Concepts of scarcity and choice• Economic systems	6
8.1.02	Demand analysis	<ul style="list-style-type: none">• Concept of demand• Factors affecting demand of a product• Demand curve derivation• Shift and movement along a demand curve• Definition of elasticity of demand• Types of elasticity of demand	6
8.1.03	Supply analysis	<ul style="list-style-type: none">• Concept of supply	6

		<ul style="list-style-type: none"> • Factors affecting supply of a product • Supply curve derivation • Shift and movement along the supply curve • Elasticity of supply • Types of elasticity of supply 	
8.1.04	Price determination	<ul style="list-style-type: none"> • Definition of price • Determination of price • Equilibrium position in the market 	10
8.1.05	Production theory	<ul style="list-style-type: none"> • Production concept • Purpose of production • Factors of production and their rewards • Levels of production • Law of diminishing returns 	10
8.1.06	Theory of firm	<ul style="list-style-type: none"> • Distinction between firm and industry • Costs of production • Concepts of revenue • Economies of scale and diseconomies of scale • Factors affecting location of an industry • Optimal size of a firm 	12
8.1.07	Market Structures	<ul style="list-style-type: none"> • Definition of market • Types of market structures • Needs for control of power in market structures • Ways of controlling powers in different market structures 	12
8.1.08	National income	<ul style="list-style-type: none"> • Definition of national income • Concepts of national income • Circular flow of National income • Methods of measuring national income • Importance of national income • Factors affecting national income • Causes of income disparities • National income equilibrium 	12

8.1.09	Money and banking	<ul style="list-style-type: none"> • Definition of money • Characteristics of money • Functions of money • Demand and supply of money • Meaning of banking • Functions of commercial banks • Functions of central bank • Non- banking financial institutions 	8
8.1.10	Public finance	<ul style="list-style-type: none"> • Definition of public finance • Principle of public finance • Effects of government expenditure • Source of government revenue • Purpose of taxation • Types of taxes • Meaning of fiscal policy • National budget • Public debt/borrowing 	8
8.1.11	Inflation	<ul style="list-style-type: none"> • Definition of inflation • Types of inflation • Causes of inflation • Effects of inflation • Measures used to control inflation 	
8.1.12	International trade	<ul style="list-style-type: none"> • Definition of international trade • Importance of international trade • Advantages and disadvantages of international trade • Theories of comparative advantage and absolute advantage • Balance of trade • Balance of payment • Barriers to international trade • Exchange rate systems • Economic integration/regional groupings 	

		<ul style="list-style-type: none"> • Functions of international monetary fund (IMF) and World Bank 	
8.1.13	Population and unemployment	<ul style="list-style-type: none"> • Definition of population • Population growth • Effects of population growth • Meaning of unemployment • Causes of unemployment • Solution to unemployment 	10
8.1.14	Economic growth and development	<ul style="list-style-type: none"> • Meaning of economic growth and economic development • Factors determining growth and development • Need for development 	4
8.1.15	Emerging trends and issues in Economics	<ul style="list-style-type: none"> • Emerging economic trends and issues • Challenges posed by emerging economic trends and issues • Approaches to manage emerging economic trends and issues 	
Total			130