

THE INSTITUTE OF COMMERCIAL MANAGEMENT

SUBJECT SYLLABUS



Economics for business

The Nature & Scope of Economics:

- The Nature & Scope of Economics
- The Development of Economic Society
- The Economic Problem: Scarcity Choice and Opportunity Cost
- Alternative Economic Systems

Production:

- The Economic Background to Production
- Specialisation and the Division of Labour
- Business Organisations
- Factors of Production
- The Scale of Production and Economies of Scale
- The Location of Production

The Theory of Price Determination:

- Demand
- Supply
- Price Determination
- Concept of Elasticity
- Applications of the Demand and Supply Model

Market Structures:

- Competitive Markets – the Institutions where Price is Decided
- Monopoly
- Oligopoly
- Imperfect Competition (Monopolistic Competition)
- Public Policy Towards Competition

Factor Markets and Rewards to Factors:

- Rewards to Factors: Distribution Theory
- Land & Rent
- Labour & Wages
- Capital & Interest
- Entrepreneurship & Profit
- Economic Rent

Market Failure:

- Market Imperfections
- Externalities
- Public Goods and Merit Goods
- Imperfect Information
- Dealing with Market Failure

Money & Banking:

- Functions of Money
- Financial Institutions
- Central Banking

Macroeconomics:

- Basic National Income Accounting
- Use of National Income Statistics
- Economic Policy
- Circular Flow Analysis
- Consumption, Savings and Investment
- National Income Equilibrium
- Multiplier and Accelerator

Unemployment & Inflation:

- Types of Unemployment
- Costs of Unemployment
- Causes of Inflation
- Costs of Inflation

Economic Policy Instruments:

- Taxation, Government Spending and Budgets
- Fiscal Policies
- Money and Monetary Policy
- Supply Side Measures and Privatisation

International Trade:

- Absolute & Comparative Advantage
- The Principle of Free Trade
- Protection – Types and Causes
- Free Trade, Customs Unions and Single Markets
- The European Union and Other Free Trade Areas
- GATT and WTO
- Balance of Trade and Payments
- Dealing with Balance of Payments Problems

Globalisation and International Monetary Issues:

- Exchange Rate Determination
- Fixed and Floating Exchange Rate Systems
- Trade and Economic Development
- Transnational Enterprises
- Globalisation

Reading List

Main Texts:

- Economics: A background text – B Forster and G Whitehead (ICM)
- Student Handbook for Economics: A background text – B Forster and G Whitehead (ICM)

Alternative Texts and Further Reading:

- Business Basics in Economics for first year degree students (BPP Publishing)
- Essentials of Economics – J Sloman (Prentice Hall)