

Business Economics (BA1) syllabus

Basic information of the course

Course Number: AB514B

Course Name: Business Economic Foundation

Instructors: Wang Yiyu

Students: For all CIMA, ACCA students, as well as accounting students.

Required Text: 2023 Edition

Course Description: This course mainly introduces the basic theories and methods related to business economy, which is suitable for undergraduate students with primary professional knowledge of accounting. This course mainly focuses on theoretical teaching, assisted by a large number of exercises, focusing on organizational management, microeconomics, macroeconomics, financial institutions and financial markets, information and data and other professional knowledge. It is hoped that learning can improve students' ability to analyze and solve problems, and expand their business thinking.

Topic Outline:		Hours/Minutes
Chapter 1	Organisations and stakeholders 1. Introductory course 2.The nature of organization 3. Shareholder wealth 4. Stakeholders 5. Stakeholder conflict 6.Management objectives 7. Transaction costs	6
Chapter 2	Measuring returns to shareholders 1. Shareholders 2. Short-term measures of return 3. Long-run measures of return 4. Rate of return 5. Impact performance on share price	5
Chapter 3	Demand, supply and price 1. Markets 2. Demand 3. Supply 4.interference with market prices	5
Chapter 4	Price elasticity	4

A,	<ol style="list-style-type: none"> 1. Calculate the price elasticity of demand and the price elasticity of supply 2. Explain the determinants of price elasticity of demand and supply 3. Calculate the effects of price elasticity of demand on a firm's total revenue following a change in prices 	
Chapter5	Cost behavior	4
A.	<ol style="list-style-type: none"> 1. Economies of scale 2. Diseconomies of scale 3. Terms of trade 4. Impact of long run costs on industry structure 	
Chapter6	Market failure	2
A.	<ol style="list-style-type: none"> 1. Market failure 2. Externalities 3. Merit good 4. Demerit good 5. Indirect tax 6. Public goods 	
Chapter7	National income	3
A.	<ol style="list-style-type: none"> 1. GDP 2. GNP 3. National income 4. Marginal propensity to consume (MPC) 5. Investment spending 6. Injections 7. Withdrawals 8. Multiplier effect 	
Chapter8	The trade cycle	3
A.	<ol style="list-style-type: none"> 1. Objectives of government economic policy 2. Tools of government economic policy 3. The trade cycle 4. Economic growth and the trade cycle 5. Unemployment and the trade cycle 6. Inflation and the trade cycle 7. Balance of trade and the trade cycle 	
Chapter9	Index numbers	2
A.	<ol style="list-style-type: none"> 1. Index numbers 2. Base year 3. Choice of base weighting 4. Inflation 	
Chapter10	Government economic policy	4
A.	<ol style="list-style-type: none"> 1. Government spending 2. Financing central government spending-taxation 3. Financing the central government budget-borrowing 4. Fiscal policy 	

	5. Monetary policy	
	6. Supply-side policies	
Chapter11	International economics	4
	1. Balance of payments	
	2. Current account deficits	
	3. Terms of trade	
	4. Globalisation	
	5. Trade agreements and trading blocks	
Chapter12	International trade	2
	1. Free trade	
	2. Types of trade agreement	
	3. WTO	
	4. International Monetary Fund(IMF)	
	5. The World Bank	
	6. Globalisation	
	7. PESTEL	
Chapter13	Functions of the financial system	4
	1. Financial system	
	2. Liquidity surplus and deficits	
	3. Financial products	
	4. Yields on financial products	
	5. Interest rate	
	6. Financial intermediaries	
Chapter14	Commercial and Central banks	2
	1. Commercial banks and credit creation	
	2. Role of central banks	
	3. Yield on financial assets	
Chapter15	Financial mathematical techniques	4
	1. Time value of money	
	2. Compound interest	
	3. Equivalent rates of interest	
	4. Discounting	
	5. NPV	
	6. IRR	
Chapter16	Impact of interest and exchange rate changes on business	4
	1. Foreign exchange markets	
	2. Factors affecting exchange rates	
	3. Government exchange rate policy	
Chapter17	Data and information	2
	1. Information	
	2. Good information	
	3. Bar charts	
	4. Scatter diagrams	

Chapter18	5. histograms	4
	Forecasting	
	1. Time series	
	2. Forecasting seasonal components	
	3. Moving average trends	
Total Sessions (Coverage Hours)		64

Summary of Business Economic Foundation		Hours/Minutes
a.	Organisations and stakeholders	6
b.	Measuring returns to shareholders	5
c.	Demand, supply and price	5
d.	Price elasticity	4
e.	Cost behavior	4
f.	Market failure	2
g.	National income	3
h.	The trade cycle	3
i.	Index numbers	2
j.	Government economic policy	4
k.	International economics	4
l.	International trade	2
m.	Functions of the financial system	4
n.	Commercial and Central banks	2
o.	Financial mathematical techniques	4
p.	Impact of interest and exchange rate changes on business	4
q.	Data and information	2
r.	Forecasting	4
Total Estimated CPC Coverage Hours		64