

SUBJECT

ECONOMICS AND ECONOMIC LANGUAGE

SSD (Settore Scientifico-Disciplinare)

SECS-P/06

PROFESSOR

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OBJECTIVES

Basic knowledge of economics and familiarity with the business language
Glossary of technical command words, financial and economic vocabulary
Understanding and translating economics literature, business and financial papers

The latest trend of economics programs is focused on rethinking and elaborating a post-crash economics society to create a cluster of economics graduates aware of economics booms and busts, unpredictable people behavior, uncertainty and more "fit for the purpose" than ever. The course is trying to represent and interpret modern issues to simulate real work life.

In such a way students will be confident and think through the causes of the events which would help them translate technical documents, fully understand "hard to grasp" topics as well as engage in business discussions.

CONTENTS

1. Basic economic concepts and resource allocation

Overview of: scarcity, choice and opportunity cost; equilibrium and efficiency; regulation and equity;
Factors of production and efficient resource allocation (land, labour, capital and enterprise); margins and decision making;
Production possibility curve: shape and shifts of the curve
Classification of goods and services: free goods, private goods and public goods
Trade off concept and outcomes of perfect and imperfect information

2. Microeconomics and the price system

Demand and supply: laws and determinants of demand and supply
Interaction of demand/supply and factors influencing the curves
What is the market? Markets and effective demands
Market equilibrium and disequilibrium: effects of changes in supply and demand on equilibrium price and quantity
Price elasticity and implications for revenues and business decisions
Externalities and market failure

3. Macroeconomics

AD and AS analysis; output, prices and employment determination
Definition of inflation, causes and consequences
Balance of payments and the components of the current and capital account
Exchange rates: definitions and determination of floating, fixed and managed float rate; basics of AD, Marshall and J curve analysis in the short run and long run;
Depreciation/appreciation and devaluation principles: terms of trade vocabulary and glossary in use application.
Absolute and competitive advantage; the benefits free trade and the trading possibility curve

Economic growth, development and sustainability: the business cycle and costs and benefits of growth

National income statistics (GDP/GNP)
 Indicators of living standards and countries classification
 Costs of unemployment
 The circular flow of income between households, firms, government and the international economy

4. Government intervention (micro and macro)

Direct and indirect taxes; average and marginal rates taxation; proportional, progressive and regressive taxes.
 Nationalisation and privatisation
 Impact and incidence of subsidies
 Instruments of fiscal, monetary and supply side policy
 Laffer curve analysis and effectiveness of policy options

5. International economics

International trade: free trade area, customs union, monetary union and full economic union (EU current topics)
 Protectionism and methods of protection: tariffs, import duties and quotas, export subsidies, embargoes, VERs and "red tape"
 Balance of payments policies: expenditure-reducing and expenditure-switching policies to correct inflation and deflation

6. Principles of Financial economics

Money and modern economy (cash and bank deposits, cheques, cc and liquidity)
 Analysis and presentation of financial instruments (bonds, stocks, funds, etc.) to read a financial instrument prospect/report
 Risk management and financial valuation vocabulary
 An overview of financial accounting models (IAS, IFRS)
 Corporate governance issues and KPI definitions.

EVALUATION

Final exam Continuous Assessment

BIBLIOGRAPHY

Author	Krugman, Obstfeld & Melitz
Title	<i>International economy: theory and policy</i>
Publisher	Pearson education
Published in	2014

Author	Jocelyn Blink and Ian Dorton
Title	<i>Economics course companion 2nd edition</i>
Publisher	Oxford university press
Published in	2012