

Preparatory Course in Economics

Developed and awarded by SIM, Singapore

MODULE OUTLINES

ECONOMETRICS

This module applies statistical methods to the quantification and assessment of economic relationships by using real and hypothetical data. The topics covered include: the classical regression model, understanding of the assumptions of the classical linear regression model, multiple regression, panel data regression models and time series econometrics. In this module, students are given the opportunity to use the econometric software to estimate the economic relationships and perform relevant hypotheses testing to test the validity of relationships established.

MACROECONOMICS

This module presents and analyses questions related to national income, and the aggregate demand and supply framework. The point of departure is the use of the IS-LM (investment saving-liquidity preference money supply) model. The latter model is used to analyse business fluctuations and determinants of output and interest rates in the short run. Thereafter, the long-run economic growth and the Solow model are studied. Further, the IS-LM model is extended to study the open economy, and the impact of trade and cross-border flows of capital, as well as their implications for fiscal and monetary policy. The final coverage of this module is on how microfoundations may be introduced into the macro model, as in the standard intermediate macro-model or as coherent new Keynesian model.

MICROECONOMICS

This module covers intermediate modern microeconomics topics, including the market under the optimisation and equilibrium principles as well as the examination of behavioural departures from perfect competition. As an introduction, an overview of consumer demand under conditions of intertemporal choice, uncertainty and risk is provided. Arising from the background of consumer theory, producer behaviour under conditions of profit maximization and market structures, including game theory would be then examined. In the latter part of this module, the general equilibrium of the exchange economy and the phenomenon of behavioural economics and asymmetric distributed information would be discussed.