

St. Joseph's College
Scheme of Work : A- Level Economics

Topics Micro : Topics 1 - 7 Macro : Topics 8 - 11	Contents / Outline	Periods Needed	Reference Materials For Students &/Or Teachers	Remarks
1 Introduction & Basic Concepts	I Nature of economics - definition, contents, scope. II Economic systems. III Some basic concepts.	16	* Brief introduction of some great economists. * Newspaper extracts on basic concepts. * Paul Heyne, <u>The Economic Way of Thinking</u> . Chapters 1 & 4. * Awh R., <u>Microeconomics. Theory & Applications</u> . Ch. 1.	
2 Demand & Supply Analysis	I Basic postulates of human behaviour. II Concept of demand, demand function & curve. III Concept of supply, supply function & curve. IV Concepts of equilibrium & elasticity. V Market intervention & disequilibrium.	16	* Steven E. Landsburg, <u>Price Theory & Applications</u> Chapter 1. * Paul Heyne, Chapter 2.	Tutorial 1 Assignment 1
3 Consumer Theory	<u>Unit 1 : The Utility Theory</u> I Introduction. II The two approaches in the utility theory. III The relevant concepts in consumer theory. <u>Unit 2 : The MUV Approach In Consumer Theory</u> I Basic concept of use value. II The MUV curve & ordinary demand curve. III Consumer's surplus revisited. IV Criticism of the utility (ordinal) theory. <u>Unit 3 : Market Exchange & Efficiency</u> I Functions & implications of price. II Functions of market. III Concept of exchange and efficiency.	32 24 16	* Newspaper extracts on price, exchange and efficiency. * Awh R., Chapters 3 & 4. * Baumol & Blinder, <u>Economics : Principles & Policy</u> Chapter 18. * Glahe & Lee, <u>Microeconomics. Theory & Applications</u> Chapter 4. P. 118 - 121. * Culyer A. J. <u>Economics</u> Chapters 5 & 8.	1st Quarterly Test Tutorial 2 Assignment 2 Assignment 3 Half-Yearly Exam.

Topics	Contents / Outline	Periods Needed	Reference Materials For Students	Remarks
4 Production Theory	I Concepts of costs - definition & types of costs. II Theory of production. III Theory of costs and cost curves.	24	* Scott & Nigro, <u>Principles of Micro.</u> , Chapter 5. P.136-142. * Main & Baird, <u>Elements of Micro.</u> , Chapter 5. P.124-128. * Newspaper extracts on opportunity cost.	
5 Market Competition	I Market competition and mechanism. II Price-taking competition & its equilibrium. III Price-searching competition. IV Monopoly & price discrimination.	32	* Transparencies on the market equilibrium of a competitive firm. * Newspaper extracts on monopoly & price discrimination.	Tutorial 3 Assignment 4
6 Factor Market	<u>Unit 1 : Demand For Factors : Traditional Analysis</u> I Nature of factors and factor market. II Labour market. III Value of marginal product of labour. IV The demand curve for factors in the short run. V Factors affecting the shift of factor demand curve. VI Supply of factor inputs. <u>Unit 2 : Labour & Determination of Wage</u> I Different forms of wage. II The supply curve of a labour. III The determination of wage. IV Wage differentials V Imperfect information. <u>Unit 3 : Rent & Land</u> I The origin of rent on land. II Modern concept on (economic) rent. III Other types of rent.	10 8 8	* Leung Man Por, AL Microeconomics. Chapters 12 & 16. * Wong Yuen Chi, HKAL Understanding Microeconomics. Chapter 10. * Main & Baird, <u>Elements of Microeconomics</u> . Chapter 9. P. 234-250 (on interest & profit). * Newspaper extracts on economic rent. * Scott & Nigro, Chapter 13 (on economic rent and opportunity cost)	Test 2 Tutorial 4 Assignment 5

Topics	Contents / Outline	Periods Needed	Reference Materials For Students	Remarks
6 Factor Market	<u>I Unit 4 : Interest & Capital</u> I Concept of capital & investment. II Meaning & existence of interest. III Employment decision of firms. IV Determination of interest rate. V Interest differentials. VI Investment on human capital. <u>Unit 5 : Profit & Entrepreneur</u> I Nature of Firm. II Concept of profit & role of entrepreneur.	16 8	* Culyer A. J., <u>Economics</u> (on present value). * Paul Heyne.Chapter 11. P. 224 - 229. (On profit, interest & cost). * Extracts from H. K. Economic Journal Monthly. 1992 Nov. Issue P. 49 - 51. (On human capital investment) * A summary of :- S. Cheung, <u>The Contractual Nature of The Firm</u> . R. Coase, <u>The Nature of Firm</u> .	Assignment 6
7 The Problem of Social Cost	I Introduction. II Externality. III Solutions to externality. IV Public goods & economic efficiency : Pareto Optimum. V Common property resources.	24	* Newspaper extracts on property rights, externality, transport and airport. * S. Cheung, The Story on Lighthouse.	Assignment 7 Final Examination
Total Periods Needed (Microeconomics)		234		

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9 Money & Banking	I Nature & functions of money. II Money demand. III Money supply. IV Commercial banks & credit creation. V Central bank & monetary policy.	30	* Newspaper extracts on HKMA and central bank. * H.K. Economic Report (HK Bank publications). * Peebles Gavin, <u>The H.K. Economy</u> (P.140 - 149) * Main & Baird. P. 125-137. * Froyen R.T., <u>Macroeconomics. Theories & Policies.</u> P. 61 - 67. * Yam, Joseph, <u>Central Banking & Monetary Policy in H.K.</u>	Assignment 2
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Topics	Contents / Outline	Periods Needed	Reference Materials For Students	Remarks
8 National Income	<u>Unit 4 : The IS - LM Model</u> I The basic aim of the model. II The basic analytic model of national income. III The IS-LM curves & AD, AS curves.	36	* Froyen selected from Chapters 8 - 12. * Newspaper extracts on money supply.	Assignment 3
10 Theory of Unemployment	I Introduction. II Search theory of unemployment. III Unemployment and inflation : Phillips curve.	8	* H.S. Economic Monthly (various issues). * Newspaper extracts. * HK CER Letters (HK CER publications).	
11 International Trade	I Introduction. II Principles of exchange. III International finance. IV Trade policy & fiscal policy. V Free trade VS protectionism : trade barrier.	28	* H.S. Economic Monthly (various issues). * H.K. Economic Report (HK Bank publications). * Newspaper extracts. * Peebles, Gavin. Chapter 5.	Revision Assignment
Total Periods Needed (Macroeconomics)		144		
Total Periods Needed (Micro. & Macro.)		234 + 144 = 378		

