

# Economics

Level I

Veronica

# Introduction

Study Session 1-2	Quantitative Methods	8-12%
Study Session 3-4	Economics	8-12%
Study Session 5-8	Financial Statement Analysis	13-17%
Study Session 9-10	Corporate Issuers	8-12%
Study Session 11-12	Equity Investments	10-12%
Study Session 13-14	Fixed Income	10-12%
Study Session 15	Derivatives	5-8%
Study Session 16	Alternative Investments	5-8%
Study Session 17-18	Portfolio Management	5-8%
Study Session 19	Ethics & Professional Standards	15-20%

## Contents

### ➤ Study session 3 (Economics1)

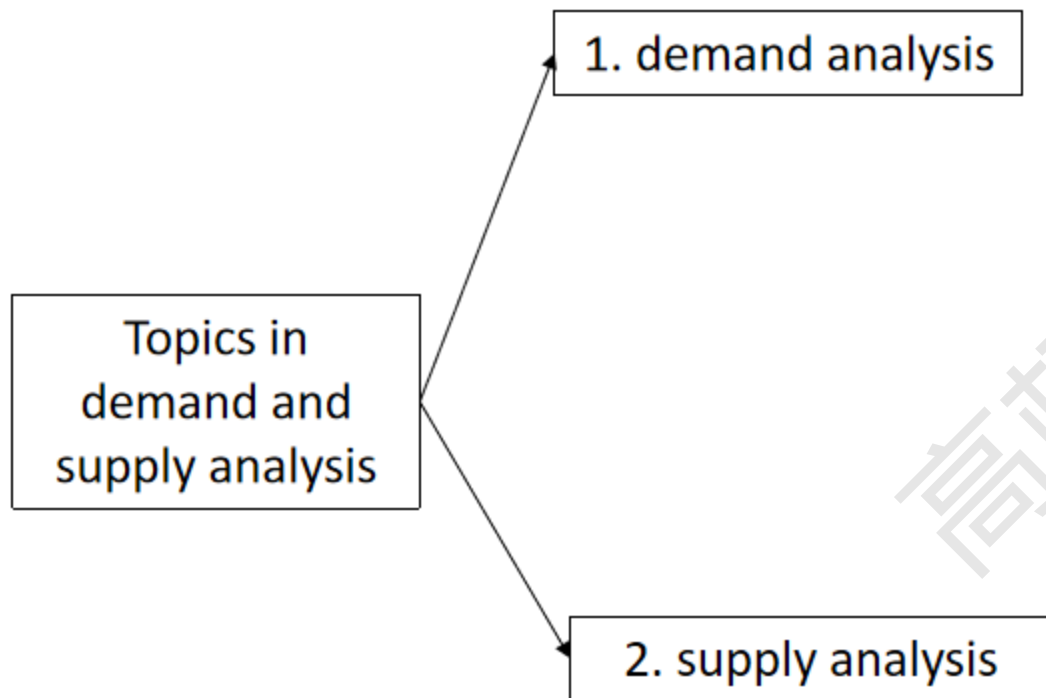
- ✓ Reading 8: Topics in Demand and Supply Analysis (☆☆☆)
- ✓ Reading 9: The Firm and Market Structure (☆☆☆)
- ✓ Reading 10: Aggregate Output, Prices and Economic Growth (☆☆☆)
- ✓ Reading 11: Understanding Business Cycles(☆☆)

## Contents

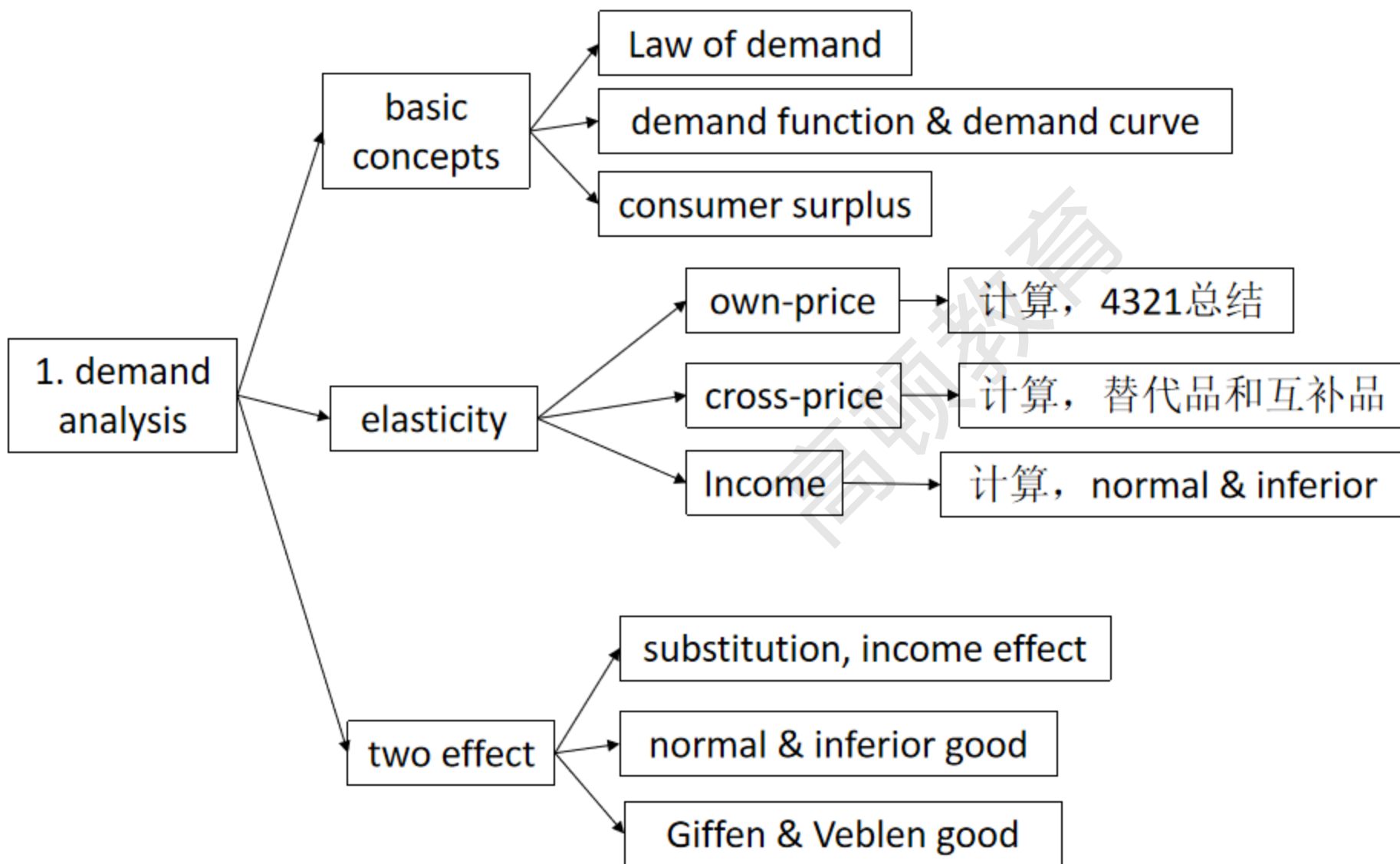
### ➤ Study session 4 (Economics2)

- ✓ Reading 12: Monetary and Fiscal Policy (☆☆☆)
- ✓ Reading 13: International Trade and Capital Flows (☆☆)
- ✓ Reading 14: Currency Exchange Rates (☆☆)

# Topics in Demand and Supply Analysis

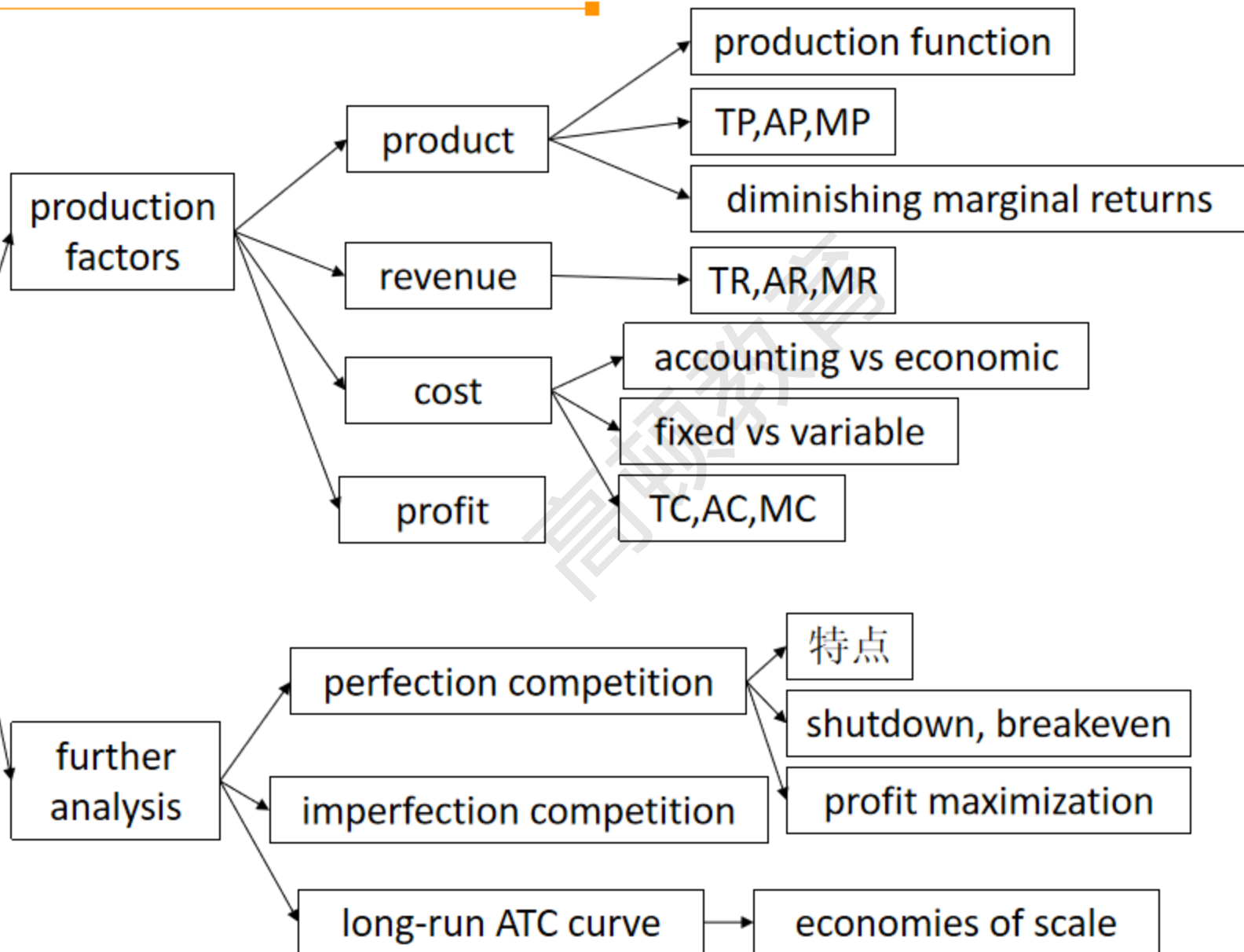


# Topics in Demand and Supply Analysis

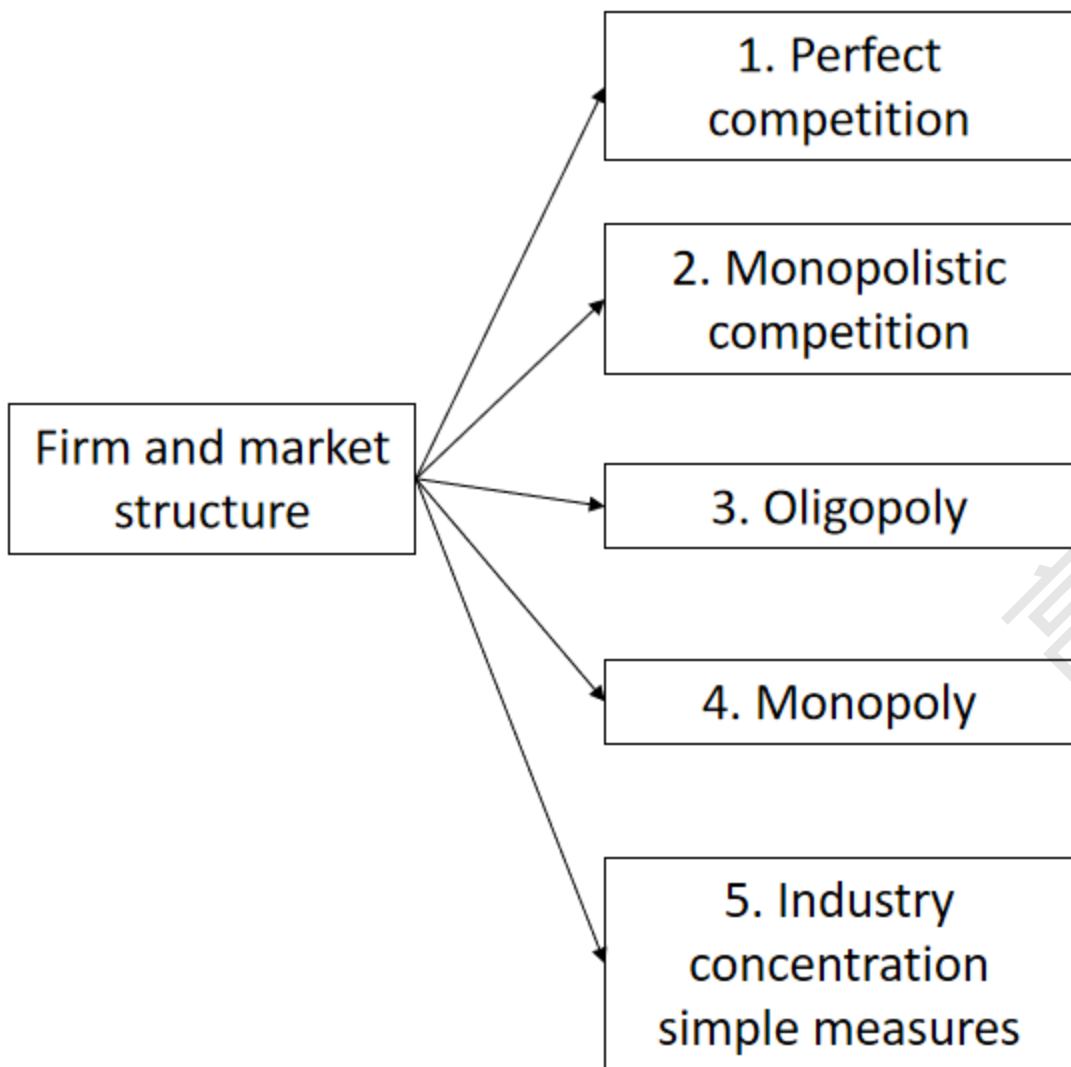


# Topics in Demand and Supply Analysis

## 2. supply analysis

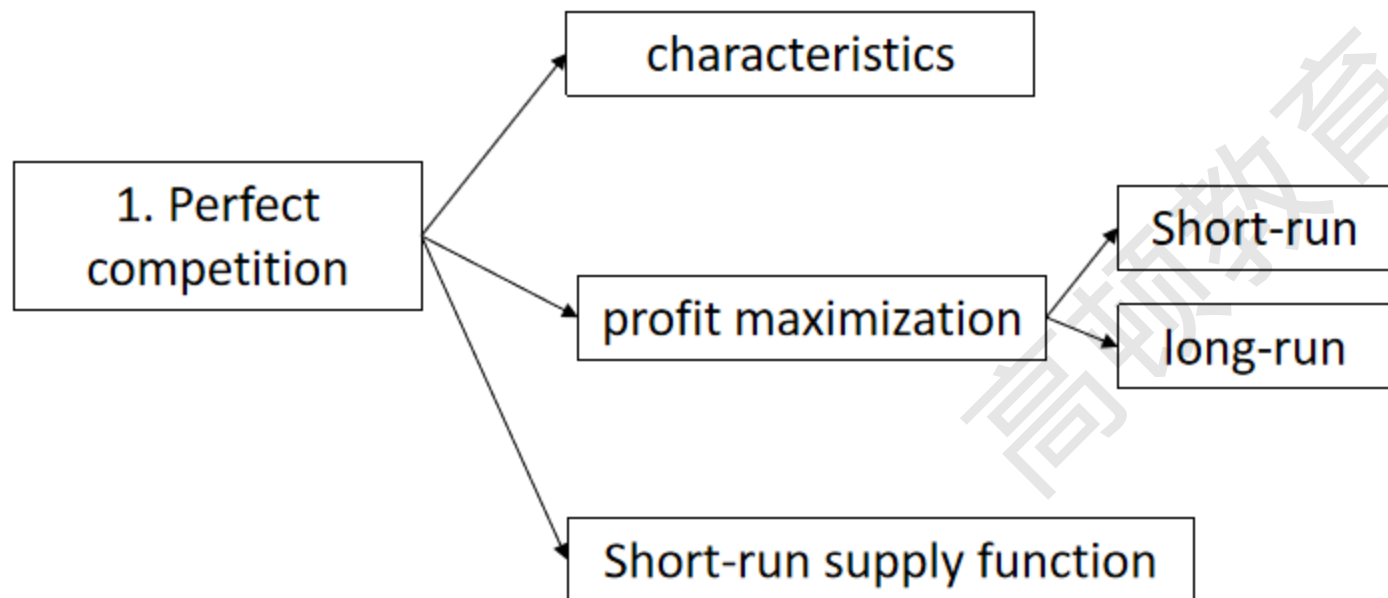


# The Firm and Market Structure

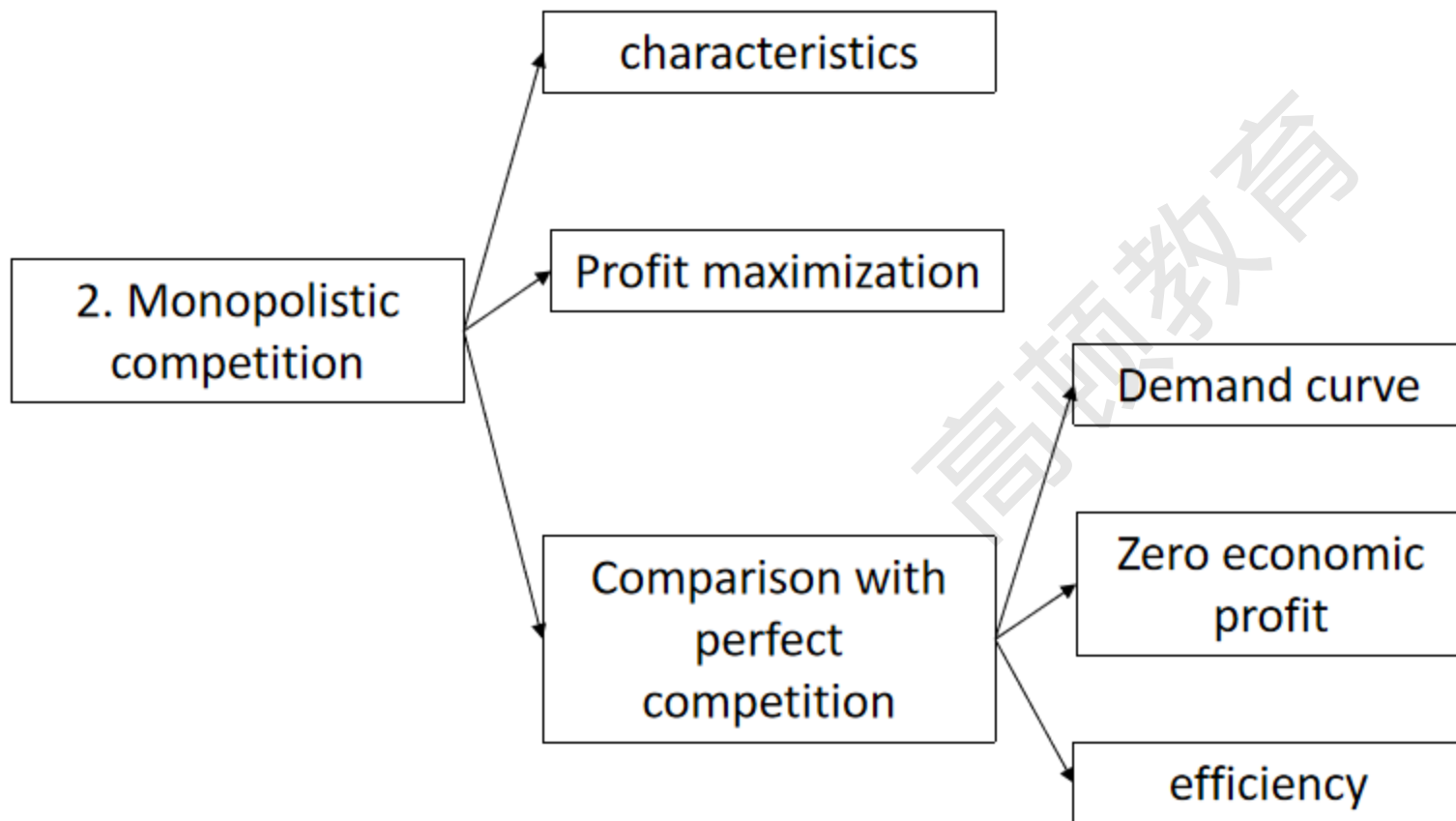




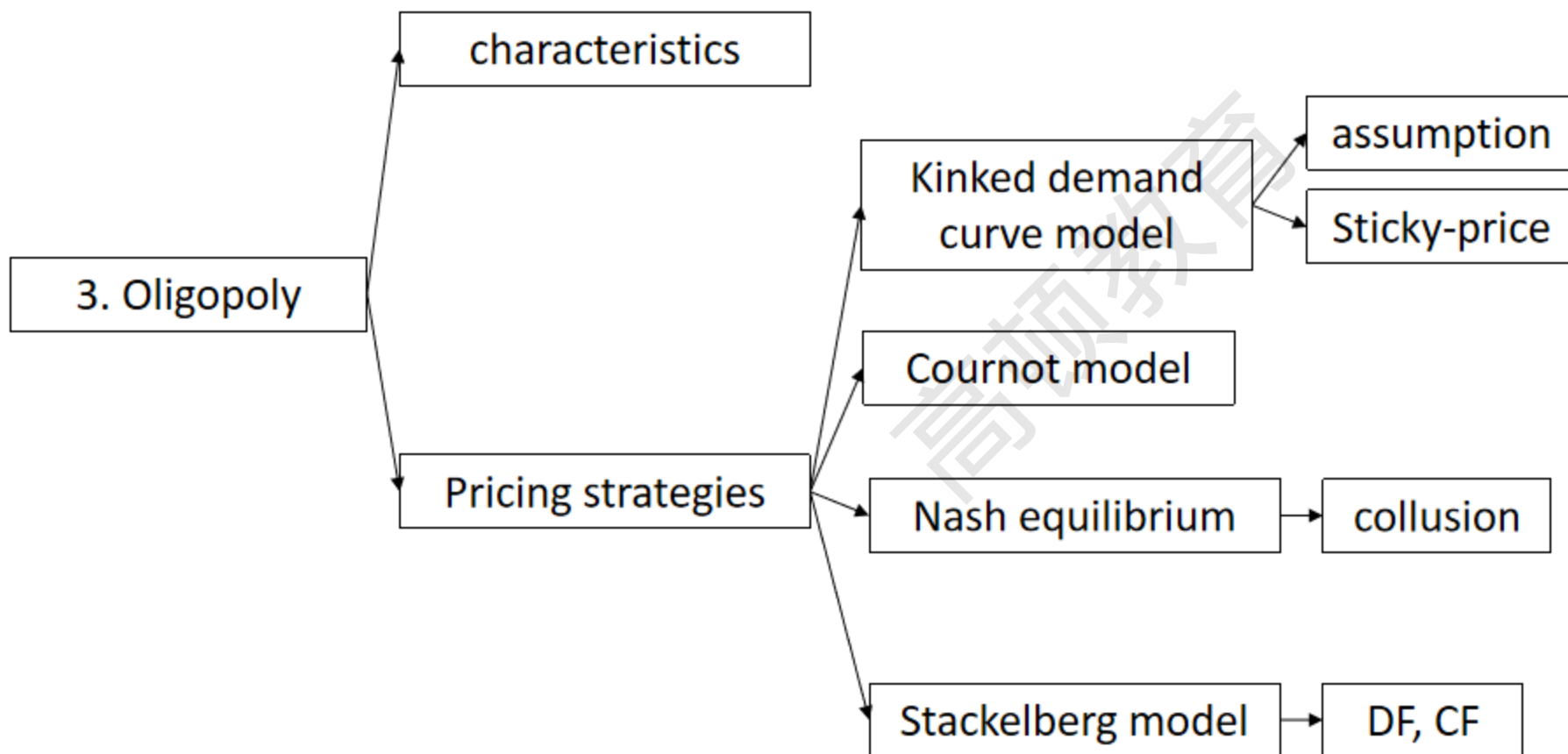
# The Firm and Market Structure



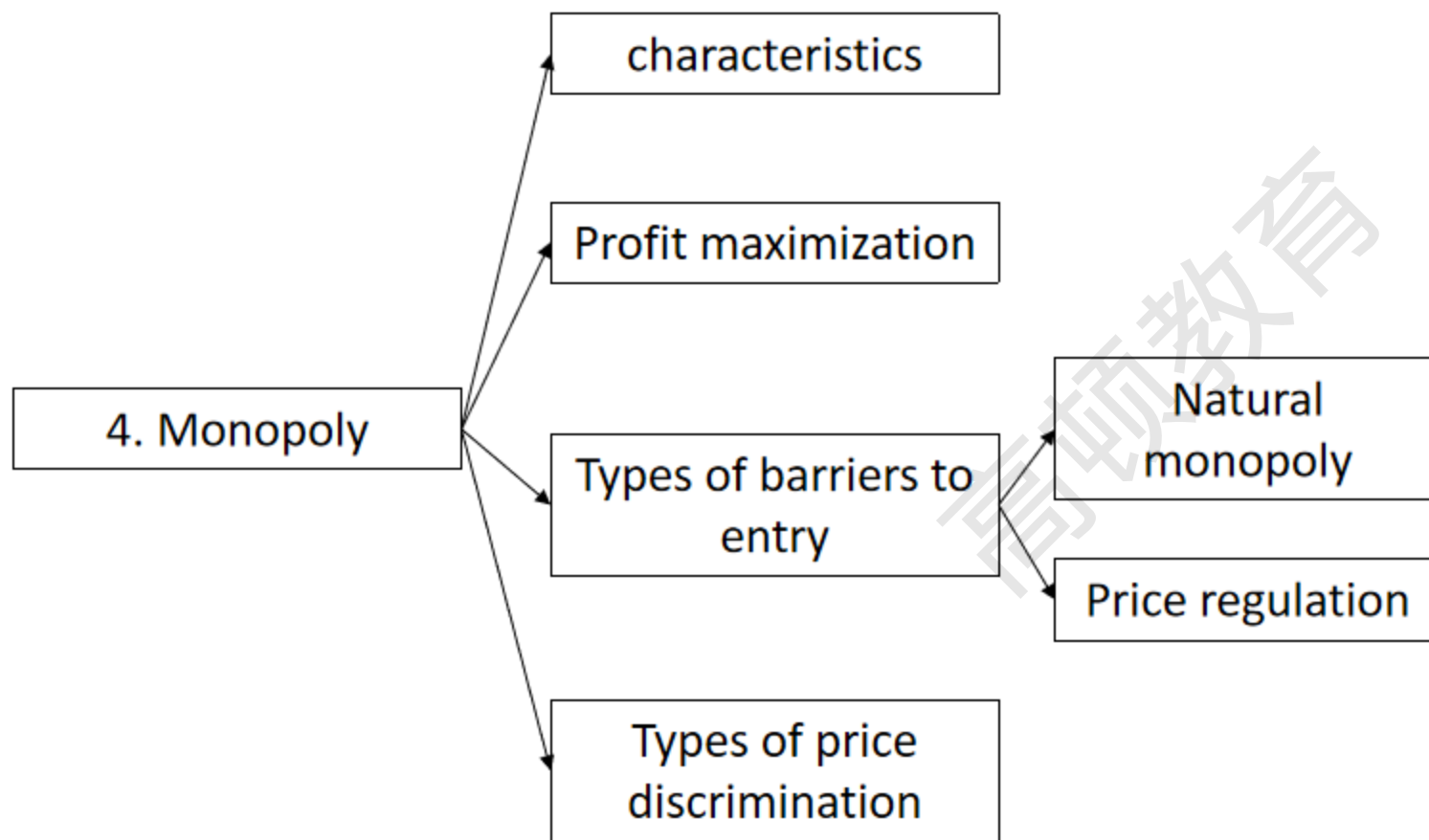
# The Firm and Market Structure



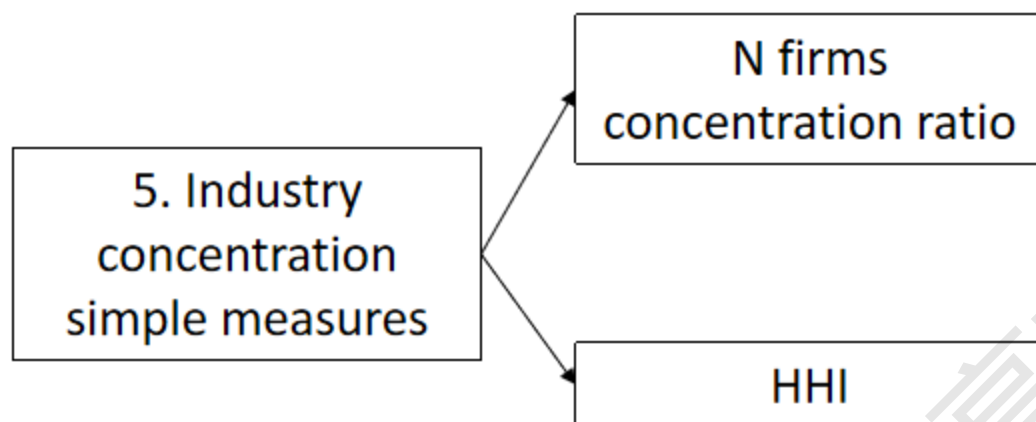
# The Firm and Market Structure



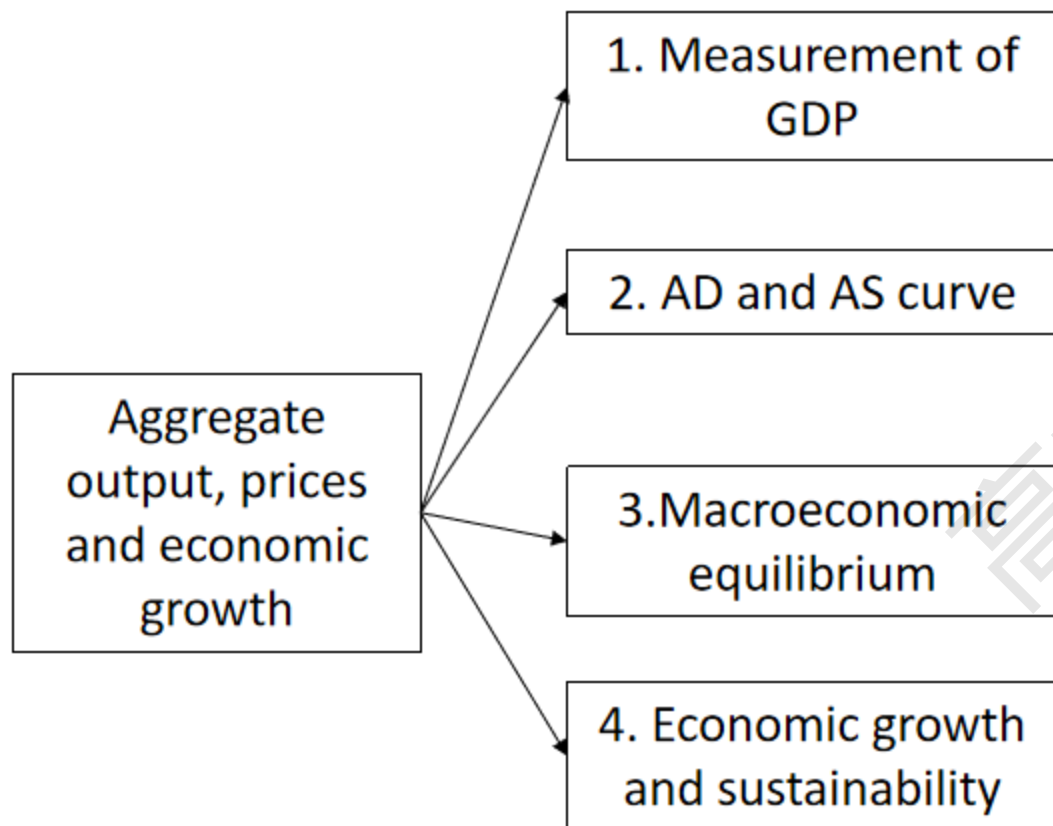
# The Firm and Market Structure



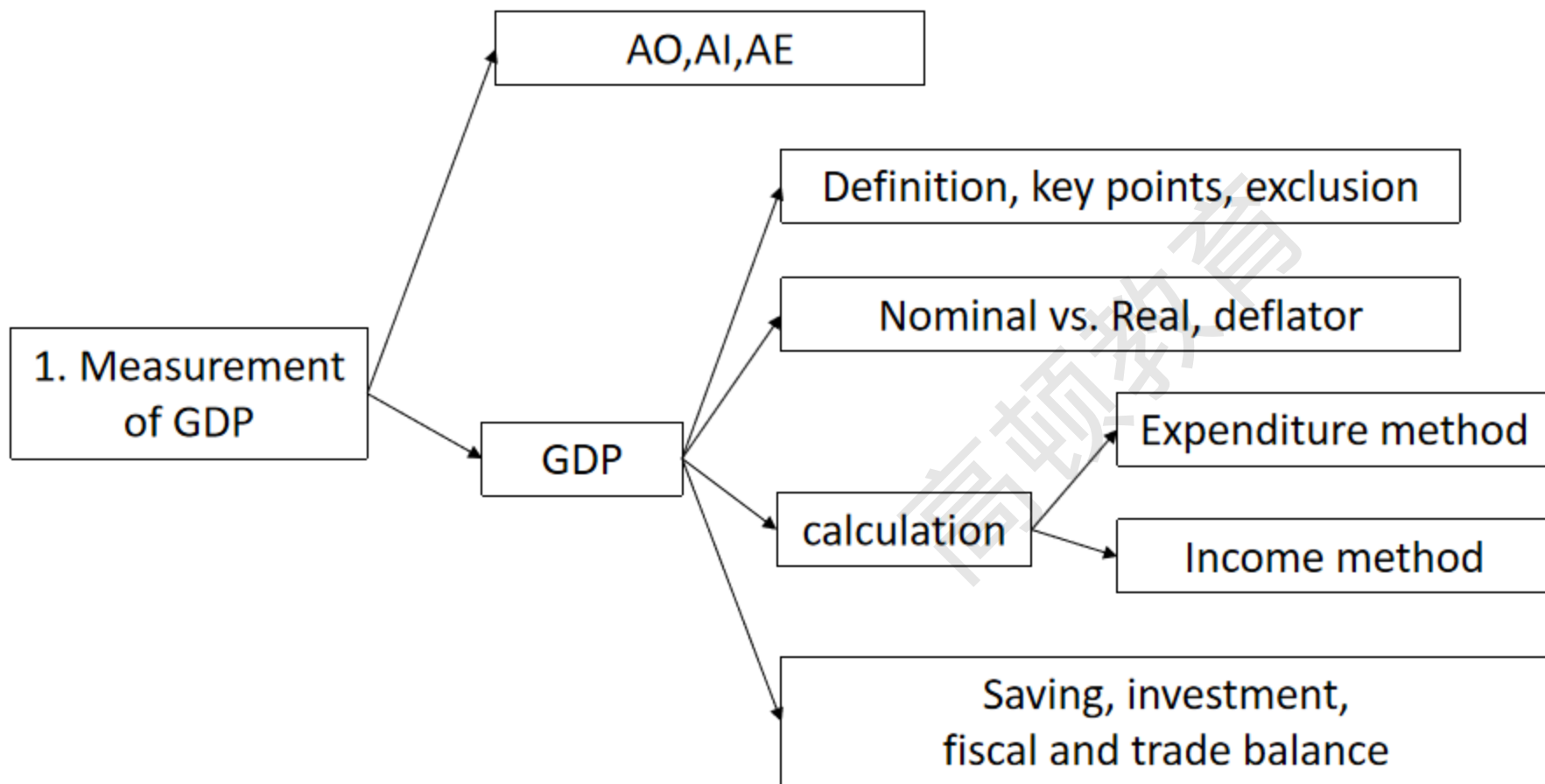
# The Firm and Market Structure



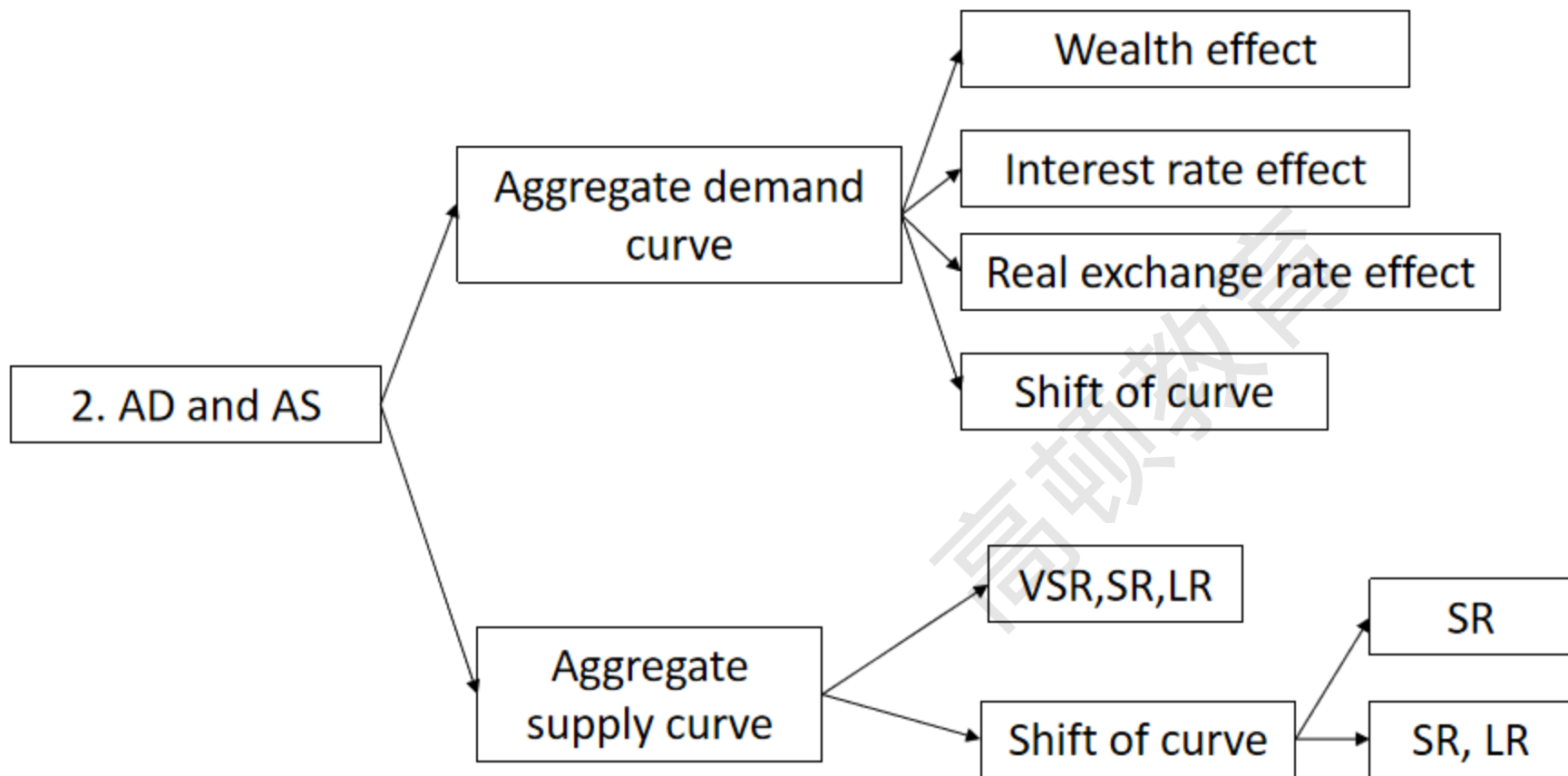
# Aggregate Output, Prices and Economic Growth



# Aggregate Output, Prices and Economic Growth

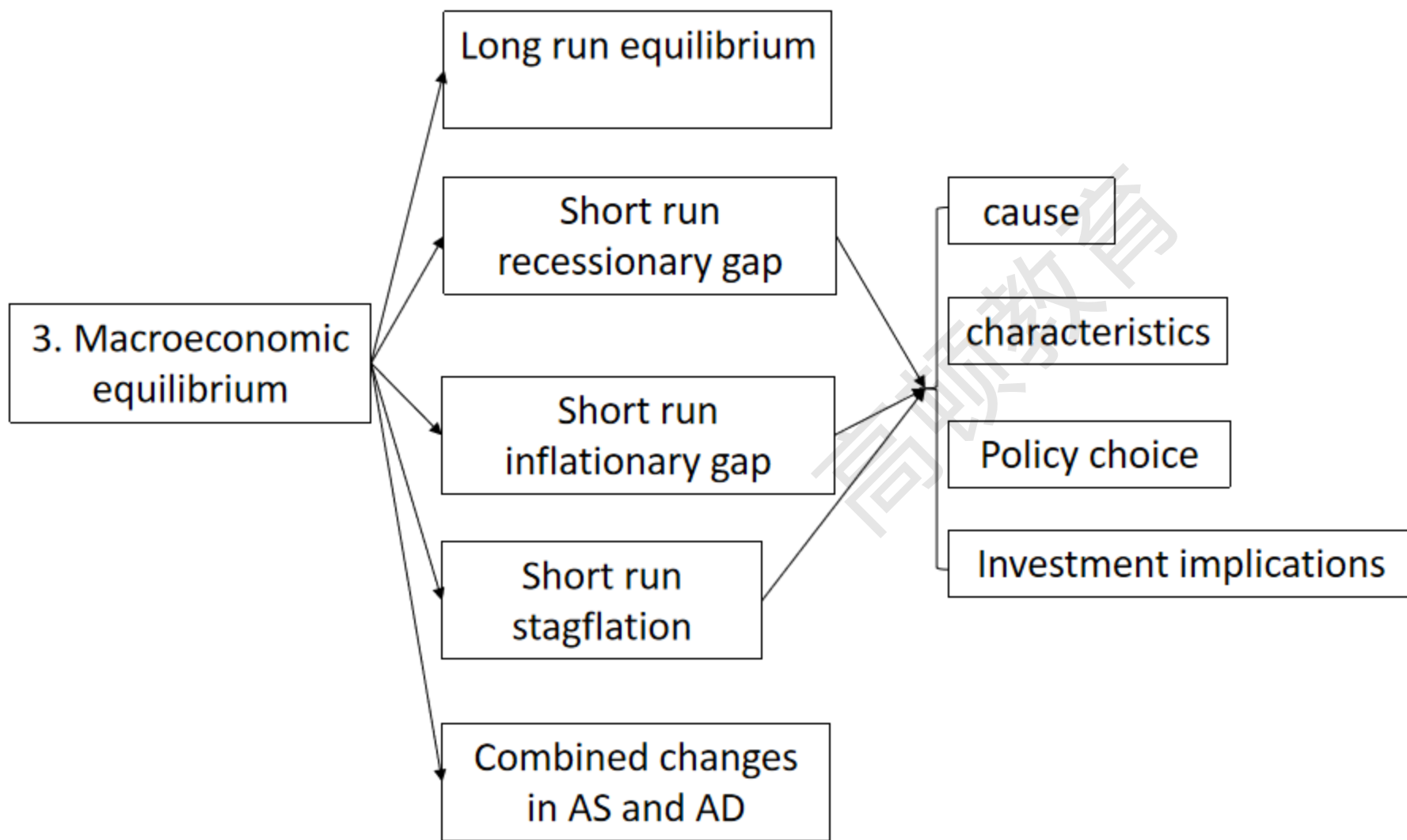


# Aggregate Output, Prices and Economic Growth

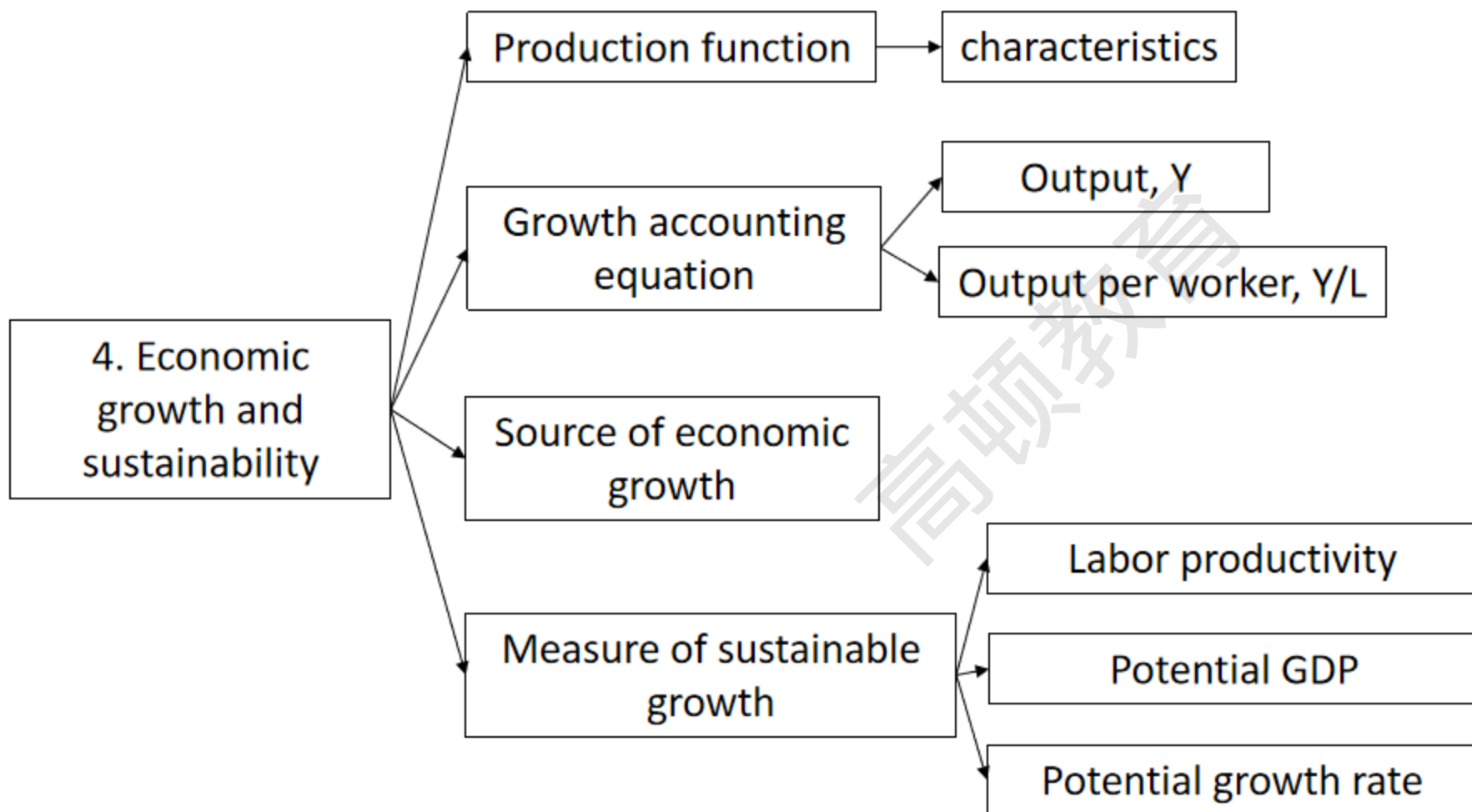




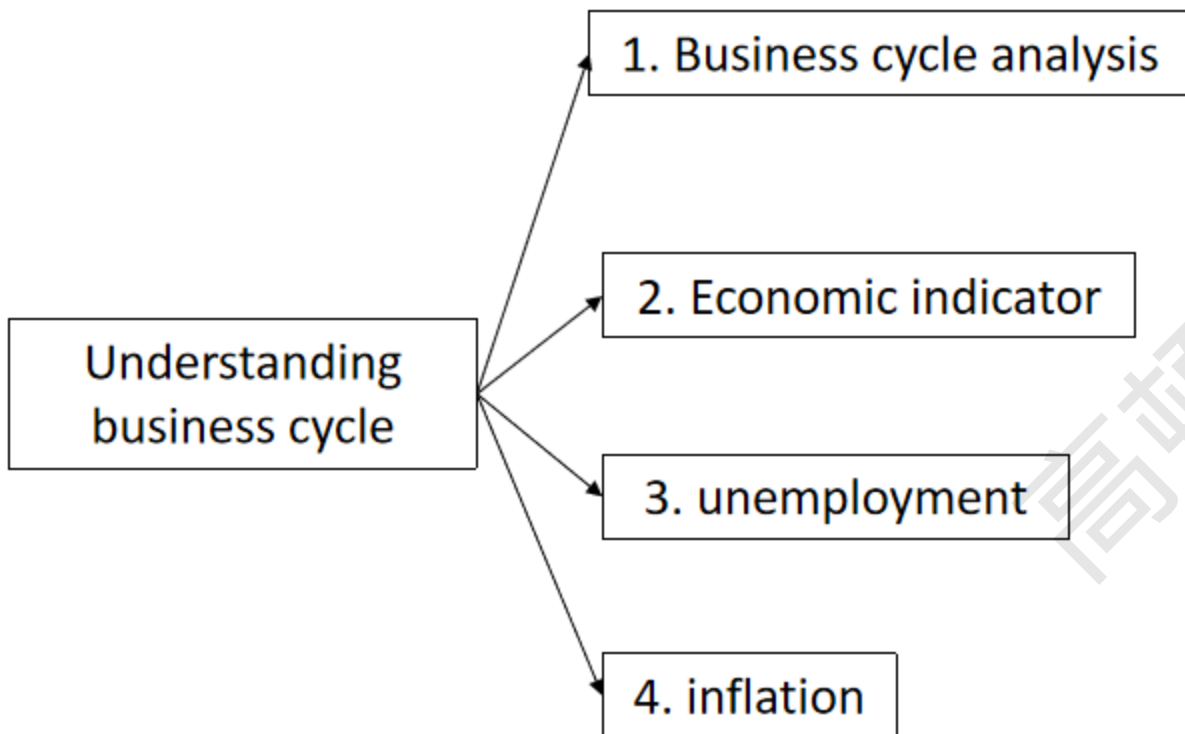
# Aggregate Output, Prices and Economic Growth



# Aggregate Output, Prices and Economic Growth



# Understanding Business Cycles



# Understanding Business Cycles

## 1. Business cycle analysis

introduction

Types of cycles

Four phases

Credit cycles

Business cycle fluctuations

Consumer behavior

Housing sector behavior

External trade sector behavior

Theoretical considerations

Classical cycle

Growth cycle

Growth rate cycle

Capital spending

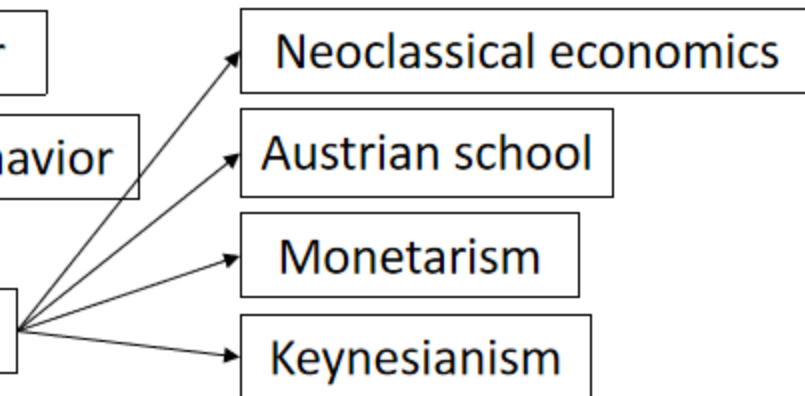
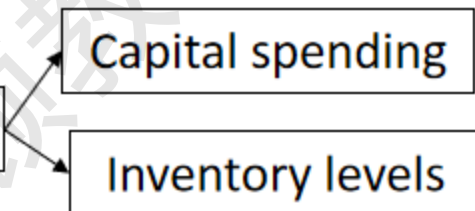
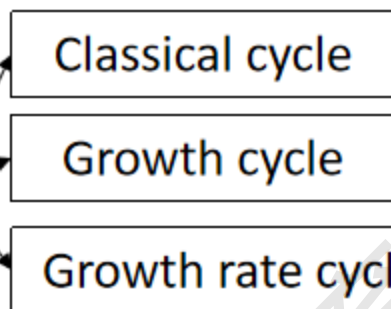
Inventory levels

Neoclassical economics

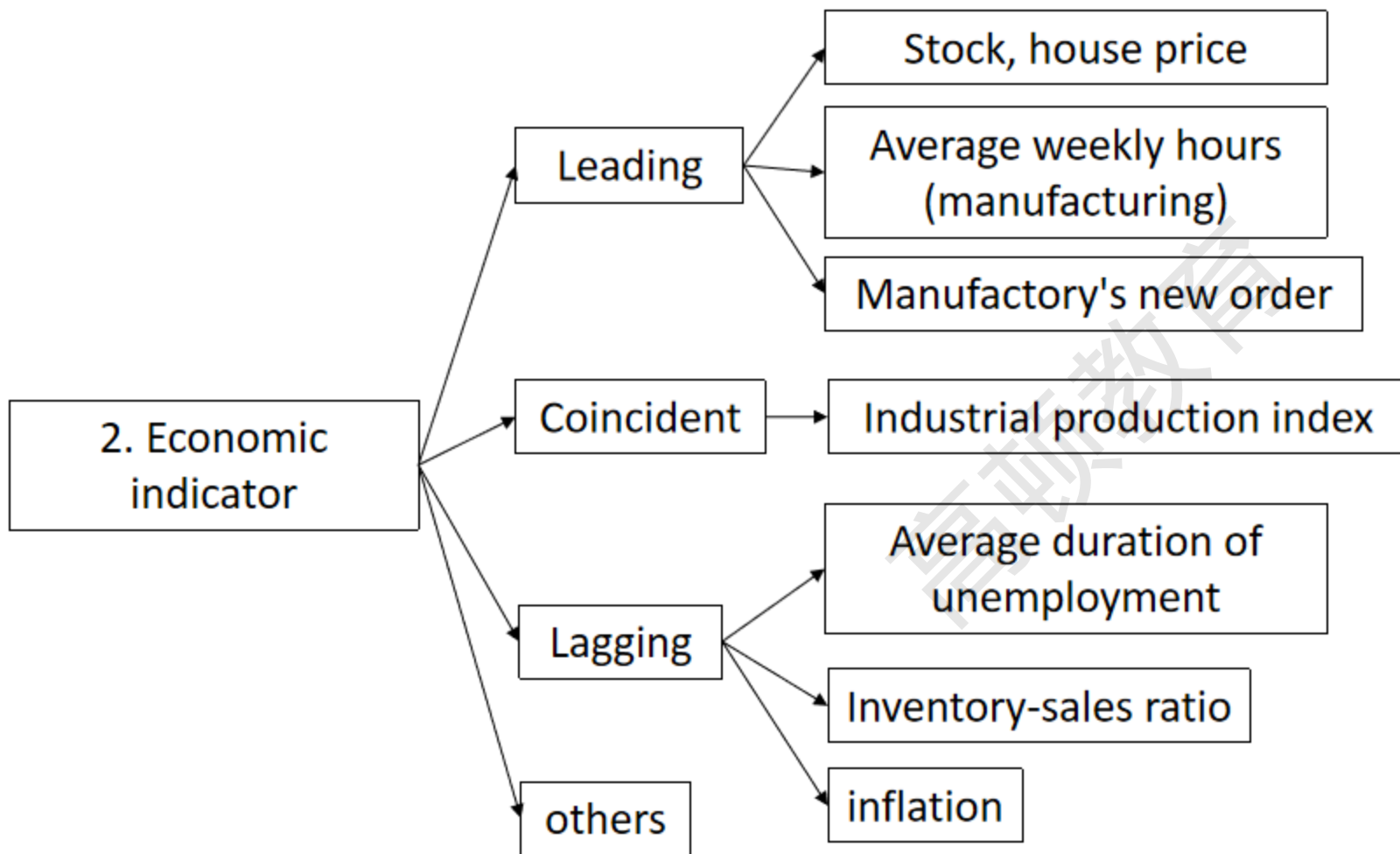
Austrian school

Monetarism

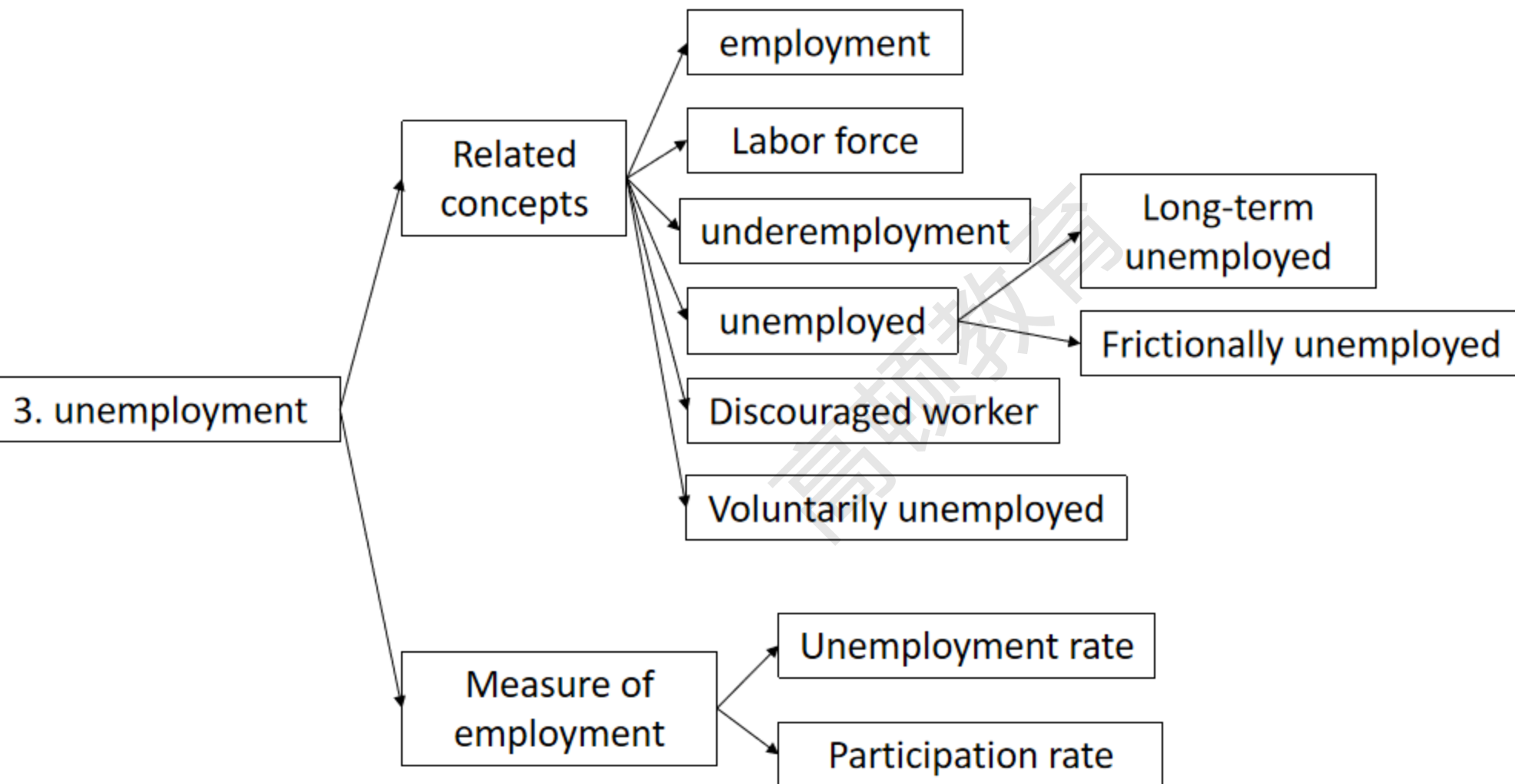
Keynesianism



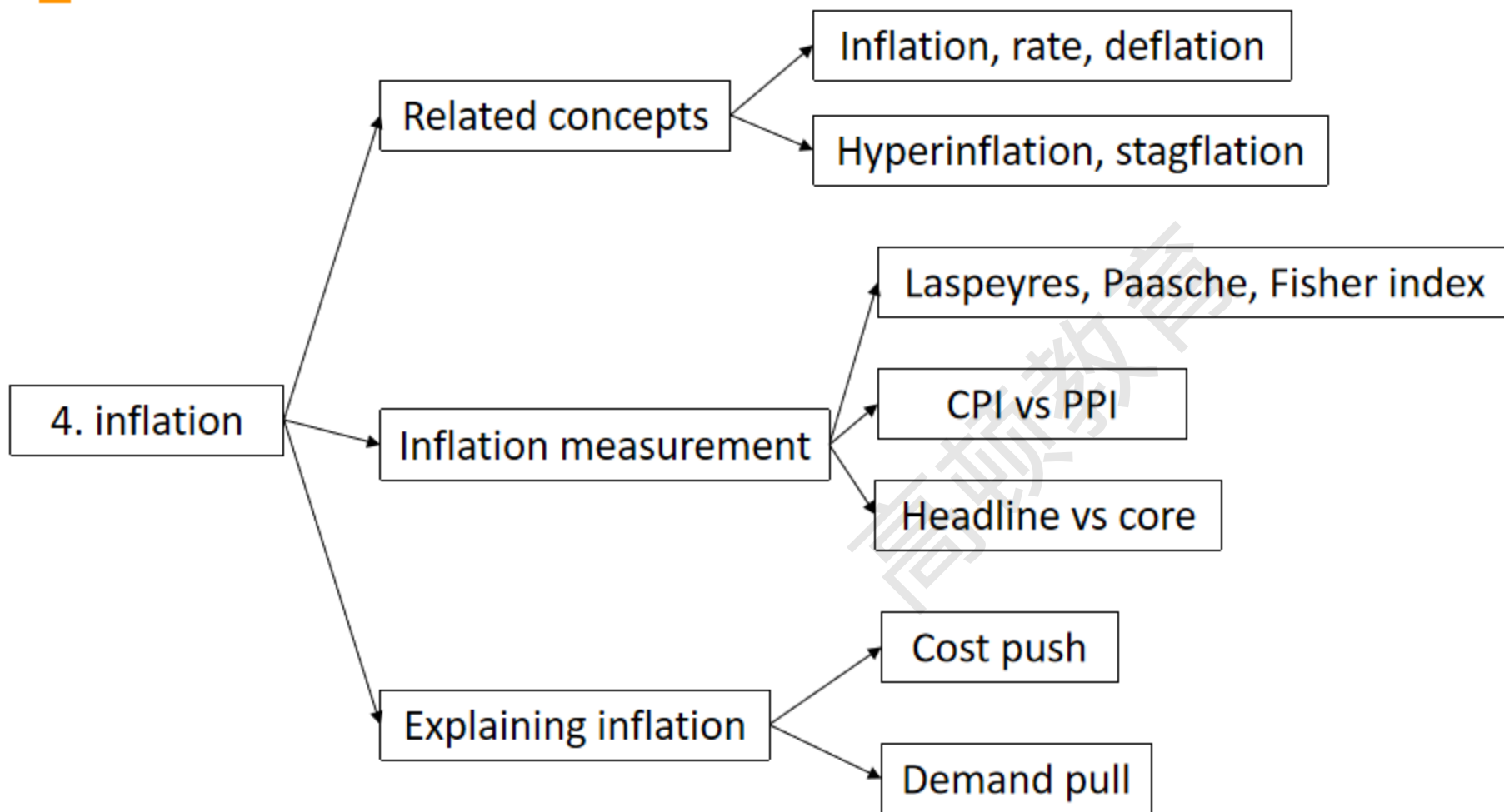
# Understanding Business Cycles



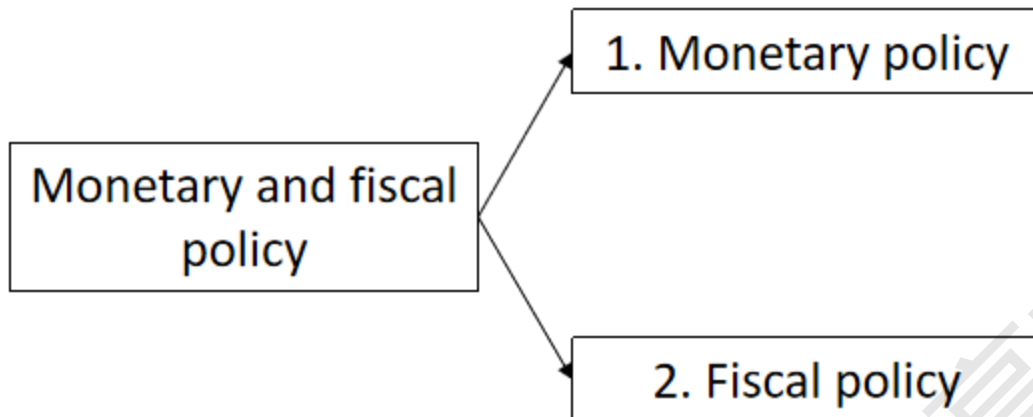
# Understanding Business Cycles



# Understanding Business Cycles

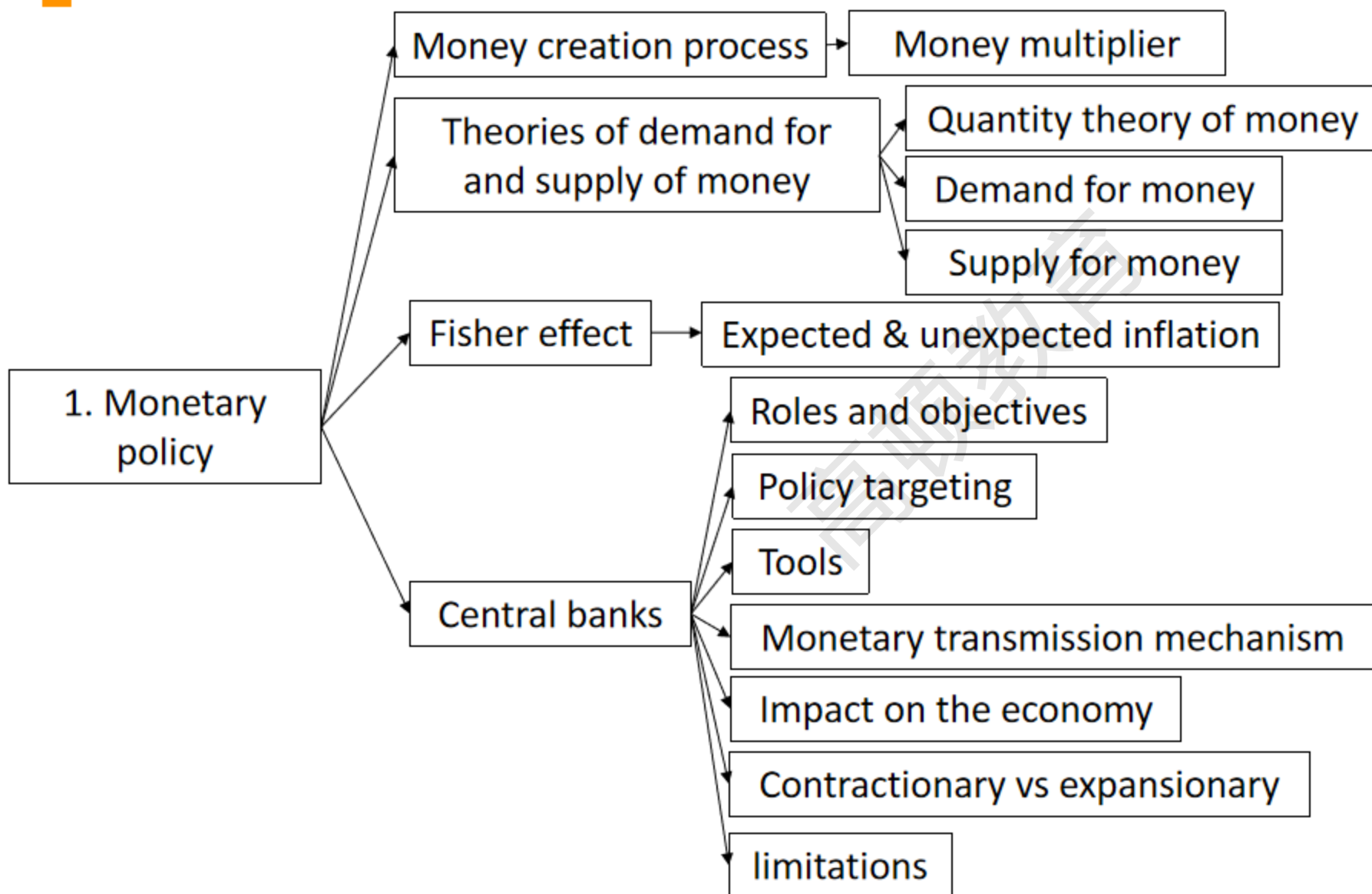


# Monetary and Fiscal Policy





# Monetary and Fiscal Policy



# Monetary and Fiscal Policy

## 2. Fiscal policy

objectives

Policy tools

Spending and revenue

Pros and cons

National debt

concern

Crowding out effect

Not concern

Ricardian equivalence

limitations

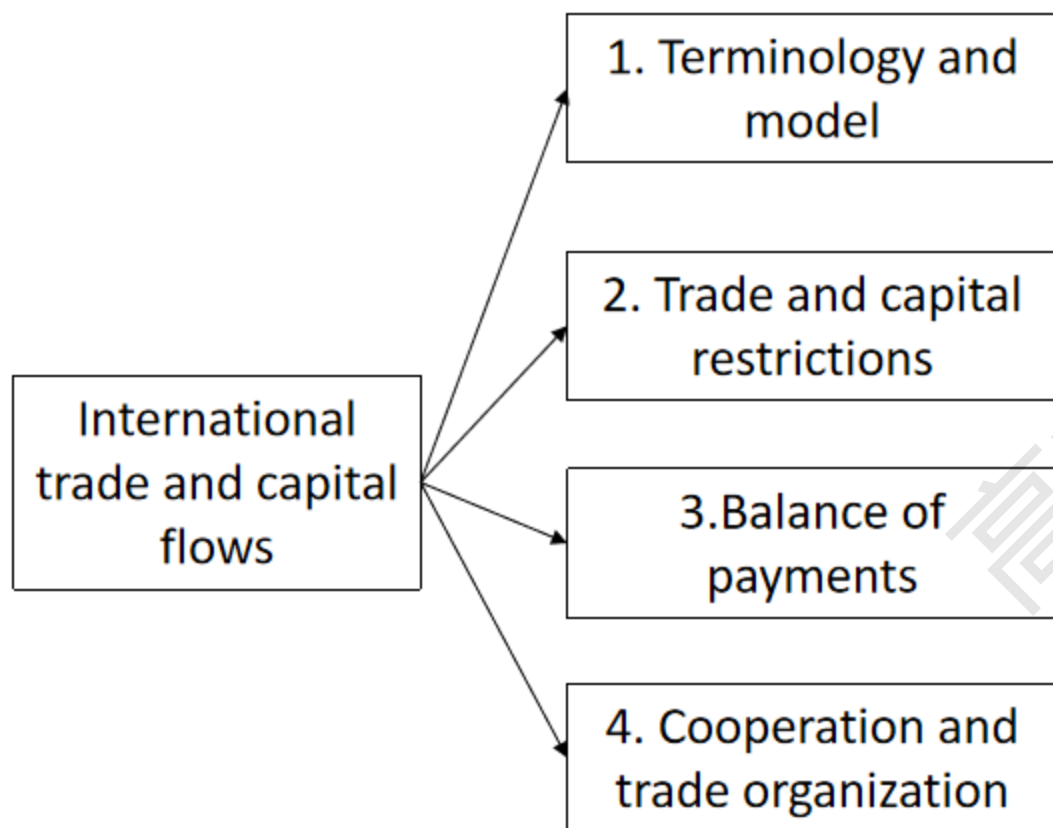
Three lags

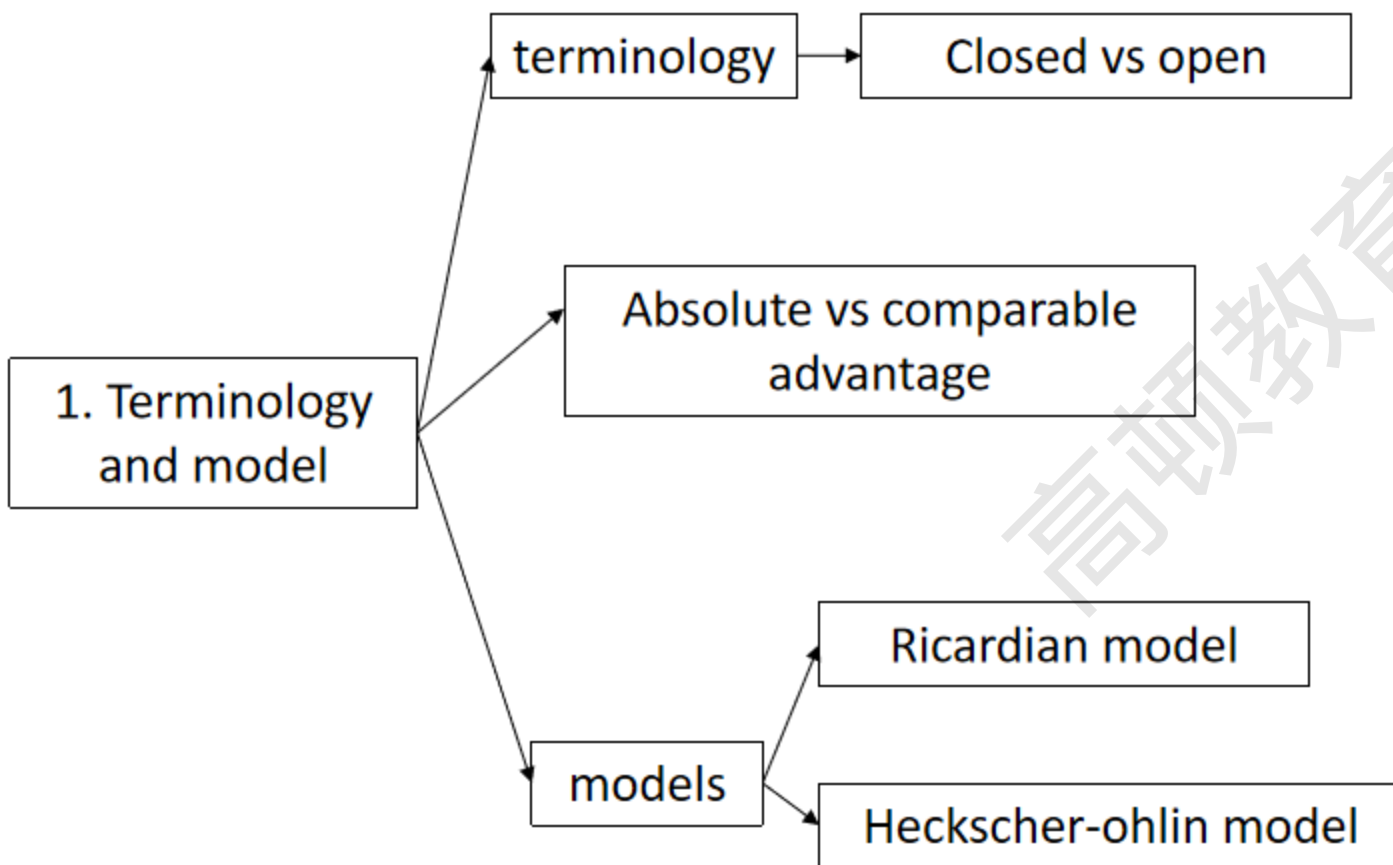
Macroeconomic issues hinder usefulness

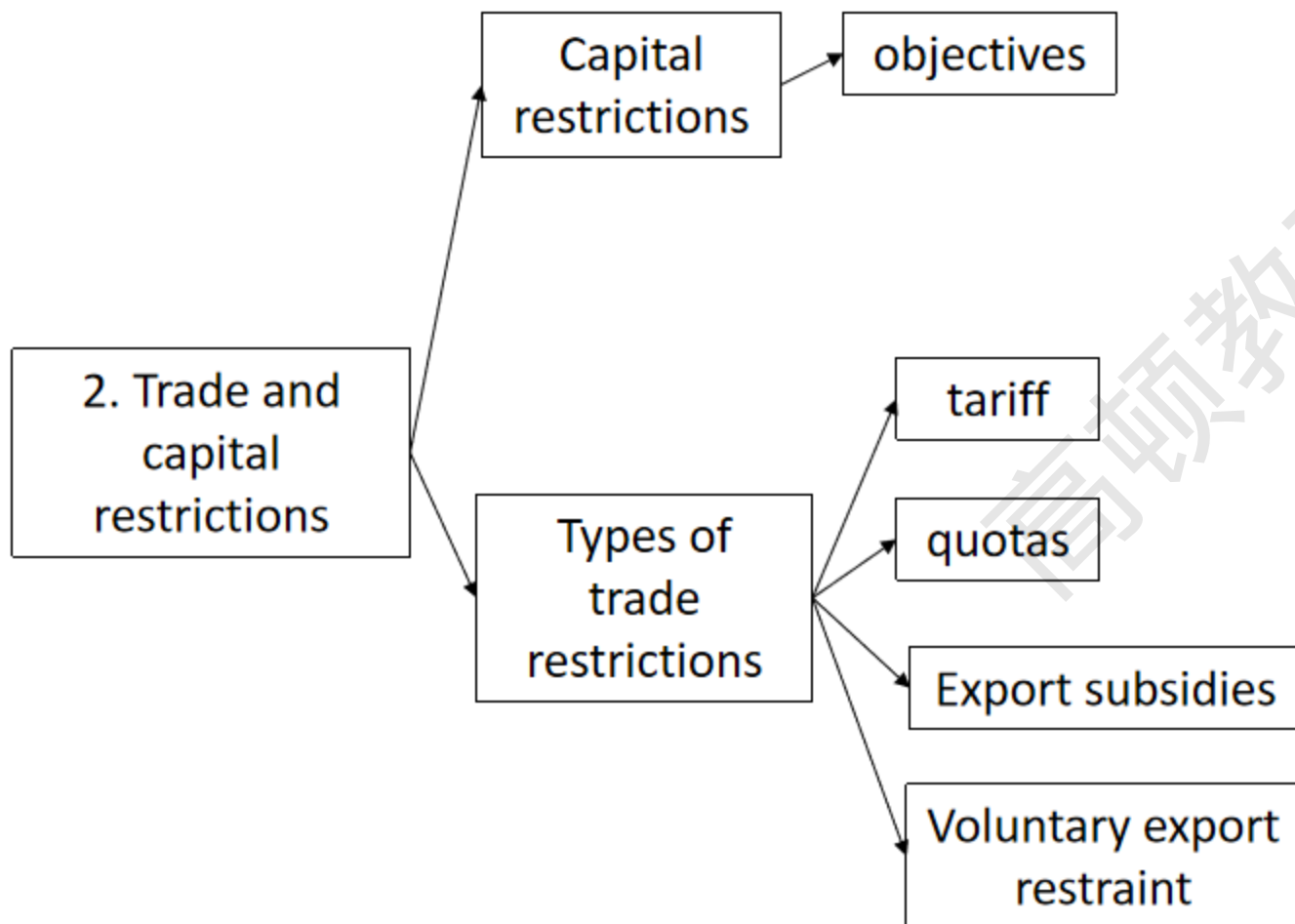
Contractionary vs expansionary

Interaction of monetary and fiscal policy

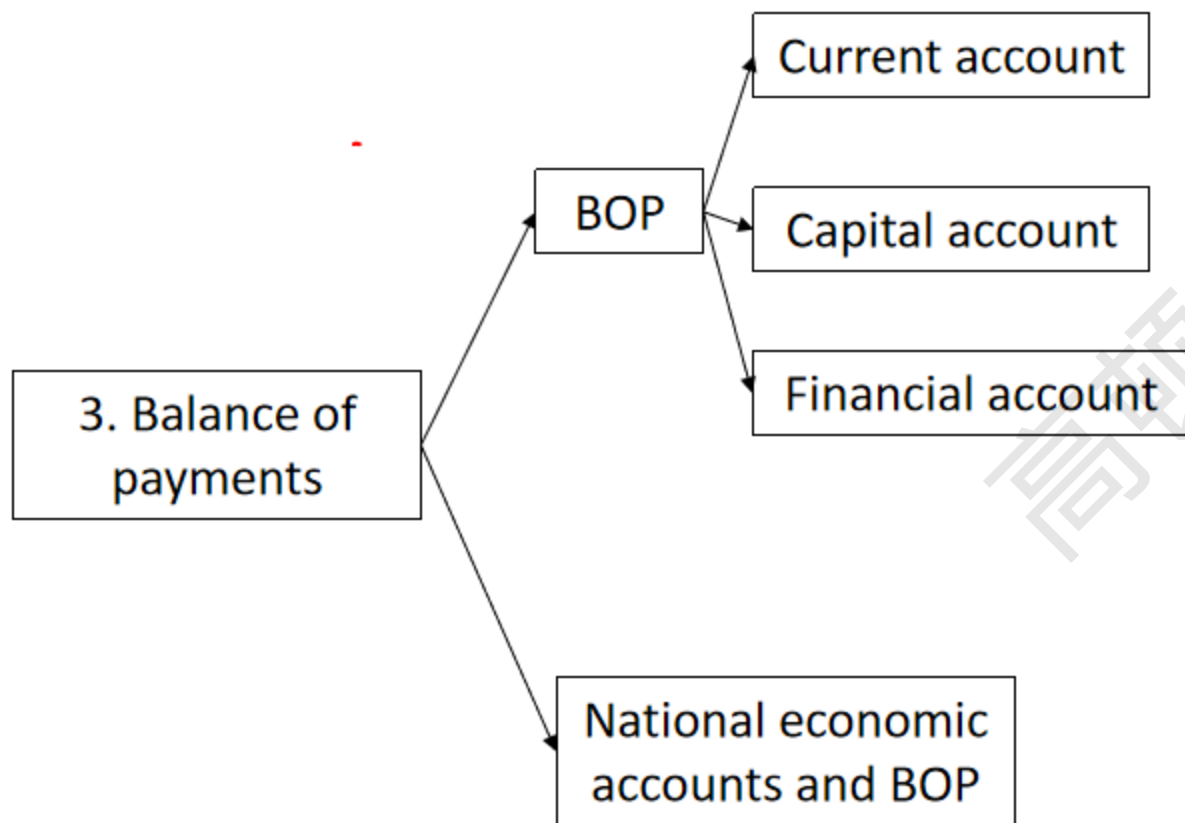
# International Trade and Capital Flows



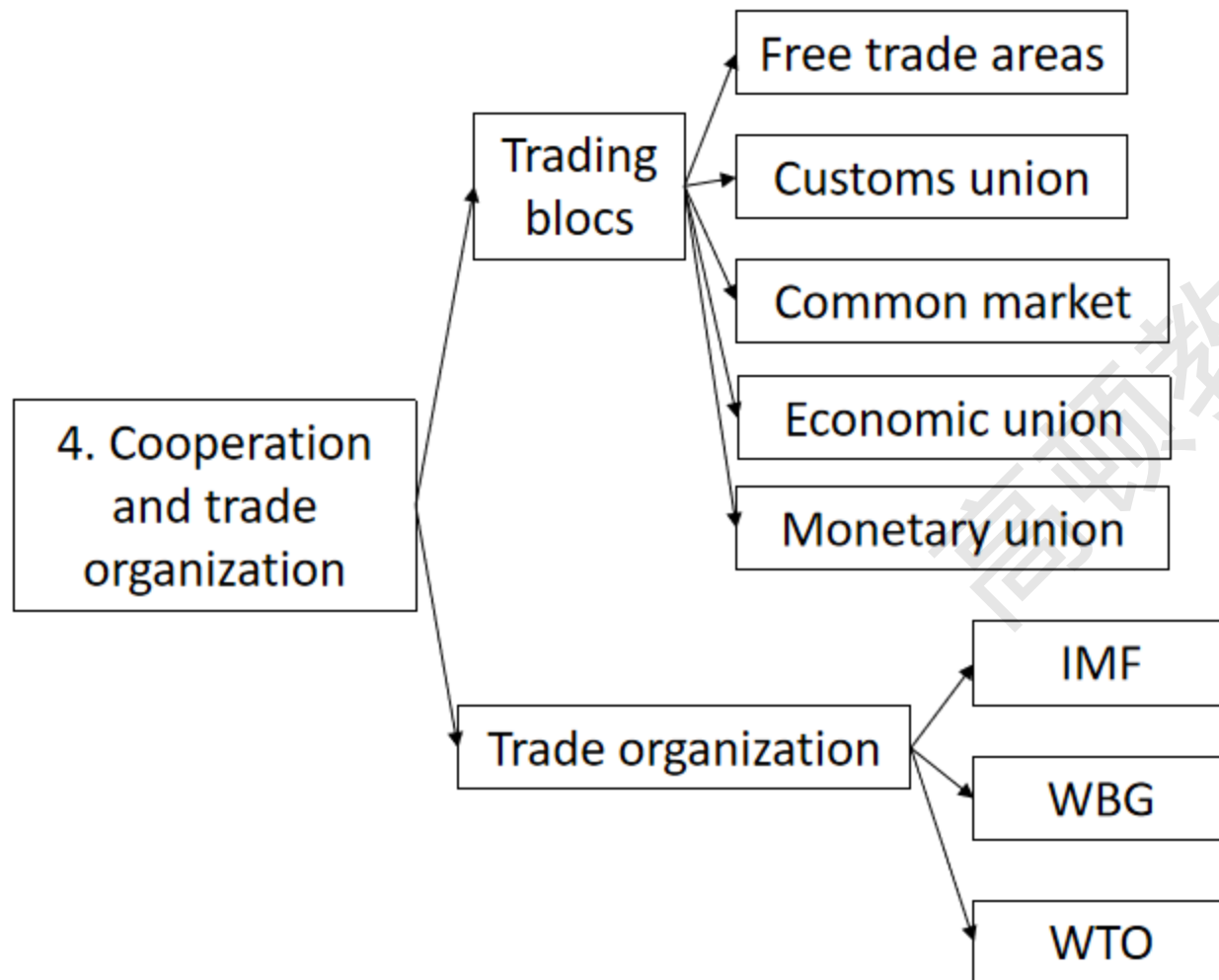




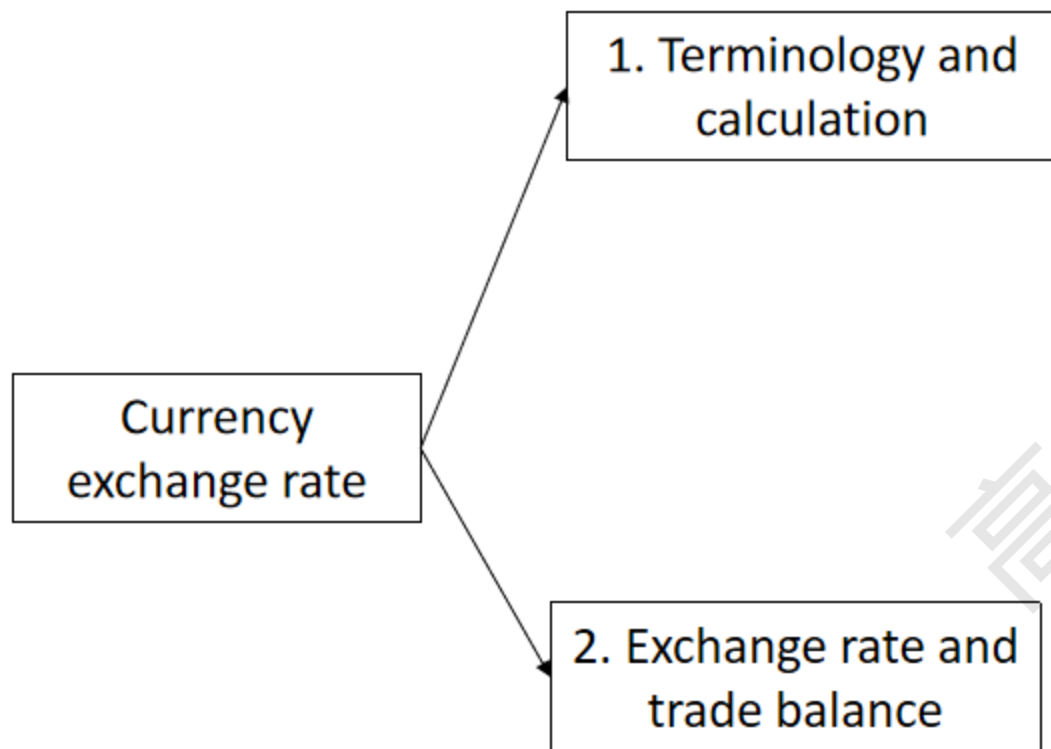
# International Trade and Capital Flows



# International Trade and Capital Flows



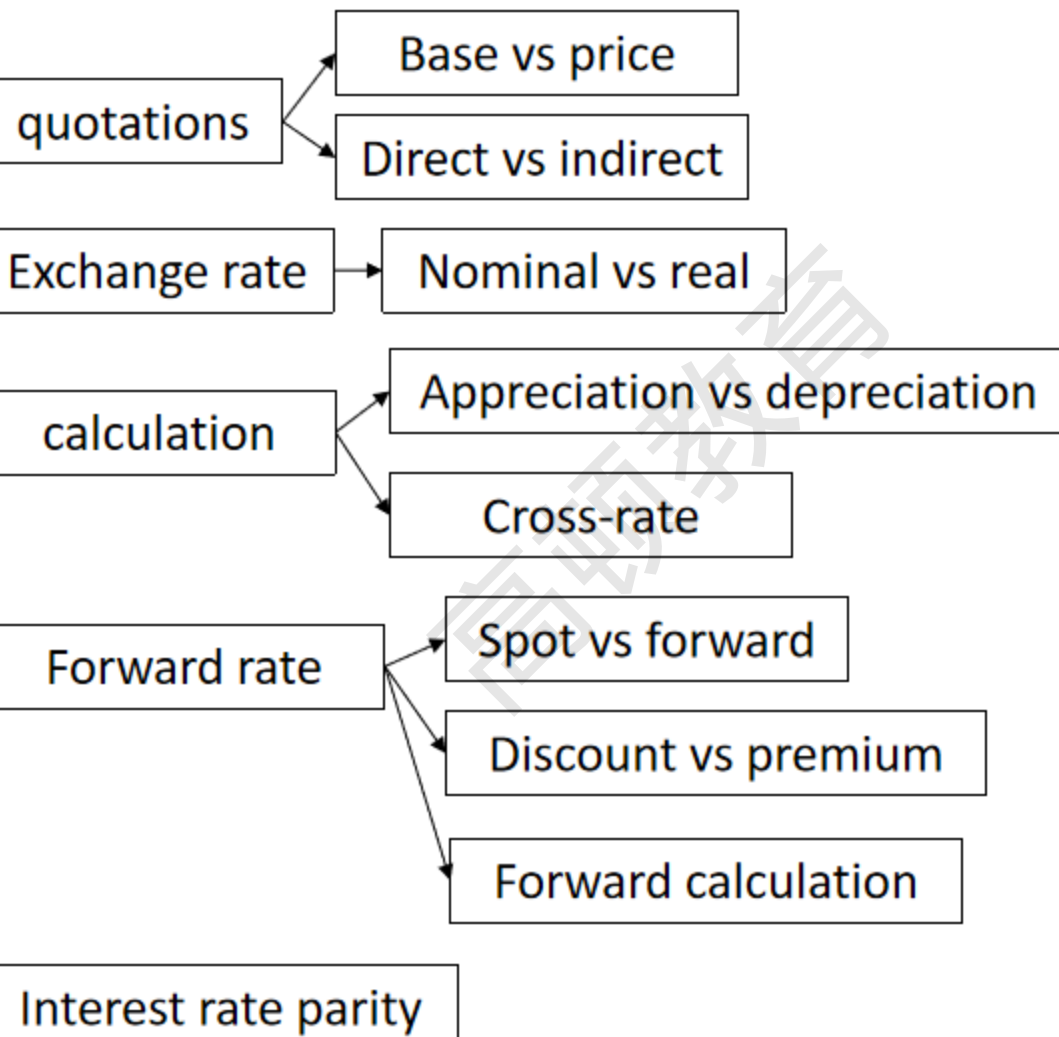
# Currency Exchange Rates





# Currency Exchange Rates

## 1. Terminology and calculation



# Currency Exchange Rates

