

Economics Overview

Economics

Introduction

Both micro- and macroeconomics play a role in business decisions and strategy formulation. Whether formulating strategy at the functional, business or corporate level, professional accountants must have a basic understanding of economics and the impact it has on business.

This course introduces microeconomics and macroeconomics as the basis for making smart choices in life as consumers, businesspeople, investors and informed citizens judging government policies.

Microeconomics focuses on a cost/benefit analysis of all decisions. Topics include gains from trade, how prices coordinate choices, the roles of competition and monopoly, efficiency/equity trade-offs, government versus market failures, environmental policies and income/wealth distributions.

Macroeconomics focuses on the performance of market economies — measured by GDP growth, unemployment and inflation — and appropriate roles for government monetary and fiscal policies. Topics include GDP, economic growth, business cycles, unemployment, inflation, money and the Bank of Canada, exchange rates, government deficits, the national debt, globalization and trade policy.

Course content

Cohen, Avi J., *Microeconomics for Life: Smart Choices for You*, 2nd edition (Pearson Canada, 2015) (includes in-text Study Guide)

Cohen, Avi J., *Macroeconomics for Life: Smart Choices for All?*, 2nd edition (Pearson Canada, 2015) (includes in-text Study Guide)

MyEconLab

Grading scheme

Weight

| | |
|---|------------|
| MyEconLab microeconomics quizzes (2 quizzes, 5% each) | 10% |
| MyEconLab macroeconomics quizzes (2 quizzes, 5% each) | 10% |
| Final exam covering both micro- and macroeconomics | <u>80%</u> |
| | 100% |

The total mark needed to pass the course is 50% (note that an average of 65% across prerequisite core courses is required for entry into the CPA Professional Education Program).

Quizzes

Economics has four quizzes that count towards your final grade. Quizzes are graded based on the marks students received. (If a student answers seven out of 10 questions on the quiz correctly, they would receive 70% on that quiz.) Each quiz is set up so that you can only take it once, but you do have the option of saving it and completing it later. You must complete and submit the quizzes prior to writing the final exam. See the calendar in D2L for the specific due date.

Quizzes 1 and 2 cover microeconomics material. Quiz 1 covers chapters 1 to 6 and quiz 2 covers chapters 7 to 12.

Quizzes 3 and 4 cover macroeconomics material. Quiz 3 covers chapters 05 to 08 and quiz 4 covers chapters 09 to 013.

Final examination

The final examination is **three hours** long and consists of **multiple-choice questions**. The final exam tests material from the entire course. Contact your CPA regional office for more information on dates and scheduling processes.

How to succeed in this course

The textbooks and various online materials are set up for your success. Each element is designed to help you organize, understand and learn the material efficiently and easily. Here is a quick guide to being successful in this course.

1. Study the textbook using the learning objectives.

Read each chapter and fully understand the learning objectives. The learning objectives in each textbook chapter are presented in the chapter opener and are repeated in the margin at the beginning of each section of the chapter. If you can do what each learning objective asks, you will understand what is most important in each section. The learning objectives are the core of the course. Master them and you have mastered the course.

Chapter Summary

The Chapter Summary contains the key points you need to know. It is organized using the learning objectives from each section of the chapter. The first item in italics under each section head is the most important point — a one- to two-sentence summary of what each learning objective asks. The Chapter Summary is an excellent study aid for right before a quiz or test. It's a final check of the ideas — the learning objectives — you have studied. All quizzes and tests are based on the learning objectives.

PowerPoint Slides

The PowerPoint Slides present a core set of lecture notes for each chapter. They may be helpful to you, but are not required. They are currently located in the MyEconLab Multimedia Library.

2. Review to check your understanding of the learning objectives.

At the end of each section of a chapter, there are three Refresh Questions. When you complete a section, take the five to 10 minutes required to answer them. The Refresh Questions are designed to help you assess how well you understand the learning objective. *Look at the answers under Answers to the Refresh Questions (in the MyEconLab Multimedia Library) only after you have completed the entire chapter.*

3. Use MyEconLab and the Study Guide to complete the practice problems.

After finishing the chapter, do the practice problems assigned on the syllabus at the end of this document.

MyEconLab (MEL)

Do all of the questions in the MEL Study Plan.

Textbook end of chapter Study Guides

Do the assigned multiple-choice questions in the end of chapter Study Guide *without looking at the answers*. This is the single most important study tip. Struggling for the answers to questions you find challenging is one of the most effective ways to learn. You will learn the most from right answers you have had to struggle for and from your wrong answers and mistakes. Look at the answers only after you have attempted all the questions. When you finally do check the answers, be sure to understand where you went wrong and why your right answers are right.

Secondary practice problems

If you want additional practice, do the MEL Sample Chapter Tests (A and B) for each chapter. Then do all of the True/False questions in the textbook end of chapter Study Guide.

4. Know it before you go on.

Master each chapter by following the above three steps before moving on. Feel confident that you understand the chapter's objectives.

Navigating MyEconLab

Detailed instructions on navigating the course are available from the Help & Support link in the top right corner of every webpage. Once in Help & Support, click on Student Help.

Course Syllabus

The following list contains all of the readings and assignments for the microeconomics chapters (*Microeconomics for Life: Smart Choices for You*) and the macroeconomics chapters (*Macroeconomics for Life: Smart Choices for All?*). To avoid confusion with microeconomics chapters, macroeconomics chapter numbers have a 0 in front — for example, Chapter 1 is in microeconomics and Chapter 01 is in macroeconomics.

Review each chapter by answering the Refresh questions at the end of each chapter section.

You should then solve all of the primary practice problems — the Study Plan problems in MyEconLab (MEL) and the assigned multiple-choice questions (MCQ) in the textbook end of chapter Study Guides. Be sure to solve the practice problems *without looking at the answers*. This is the single most important study tip.

If you want additional practice, solve some or all of the secondary practice problems — the sample tests and quizzes in MyEconLab and the True/False (T/F) questions in the end of chapter Study Guide.

Once you have finished the review questions and practice problems, the answers to the Study Guide questions can be found at the end of the textbooks under Answers to the Study Guide Questions. The answers to the Refresh questions can be found in the MyEconLab Multimedia Library.

Take each quiz when you have finished the above assigned practice questions for the chapters on that quiz. The quizzes are clearly marked as Microeconomics or Macroeconomics to avoid confusion.