

Subject Code	AF5341
Subject Title	Economics for Financial Analysis
Credit Value	3
Level	5
Normal Duration	One Semester
Pre-requisite / Co-requisite/ Exclusion	None
Role and Purposes	This subject introduces students to the basic theory and applications of economics. It provides students with relevant economic concepts that will be useful <u>to the analysis of investment and corporate finance issues</u> (Outcome 1).
Subject Learning Outcomes	Upon completion of the subject, students will be able to: <ul style="list-style-type: none"> a. understand the fundamental concepts in microeconomics and macroeconomics; b. have a solid and skillful grasp of tools for the analysis of real world situations, in particular those related to the financial markets; c. evaluate the effectiveness of macroeconomic policy; d. evaluate basic economic and financial data.
Subject Synopsis/ Indicative Syllabus	<p>Basic Microeconomics Opportunity cost; cost and benefit analysis; production and cost; demand and supply analysis.</p> <p>Market Structure and Economics of Information Perfect competition; monopoly; oligopoly; game theory; economics of information.</p> <p>Basic Macroeconomic Issues National income accounting; employment; inflation; money and interest rate; aggregate demand and aggregate supply analysis; fiscal policy; monetary policy.</p> <p>Issues in the Financial Markets Discussion on issues in the financial markets, e.g., global imbalances and financial crisis, will be blended in the above topics when applicable.</p>
Teaching/Learning Methodology	This subject will be delivered primarily through lectures/seminars for the discussion of economic concepts and their applications to the topics concerned. Active class participation is strongly encouraged. Other learning activities, such as presentation and quiz, will be flexibly incorporated in classes to help students achieving the learning outcomes. Students will be required to work on problem sets and submit individual and/or group assignments.

Assessment Methods in Alignment with Intended Learning Outcomes	Assessment components include continuous assessment (class participation, presentation and report, quiz) and final examination.							
	Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed (Please tick as appropriate)					
			a	b	c	d		
	1. Class participation	5%	✓	✓	✓	✓		
	2. Presentation and report	20%	✓	✓	✓	✓		
	5. Quiz	25%	✓	✓	✓	✓		
	6. Final examination	50%	✓	✓	✓	✓		
	Total	100 %						
<p>*Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes:</p> <p>Class participation – Students have to learn proactively in class.</p> <p>Presentation and report – Students are assigned with certain problem set questions and are required to explain and elaborate the answers in class and in written format.</p> <p>Quiz – Closed book examination to test students’ understanding of fundamental concepts and their ability in applying analytical tools.</p> <p>Final examination – Closed book examination to test students’ understanding of fundamental concepts and their ability in applying analytical tools.</p> <p>Note: To pass this subject, students are required to obtain Grade D or above in BOTH the Continuous Assessment and Examination components</p>								
Student Study Effort Expected	Class contact:							
	▪ Lectures / Seminars							39 Hrs.
	Other student study effort:							
	▪ Preparation for quiz and examination							39 Hrs.
	▪ Self study and homework preparation							39 Hrs.
	Total student study effort							117 Hrs.
Reading List and References	<p><u>Textbook</u></p> <p>Robert H. Frank, Ben S. Bernanke, and Hon-Kwong Lui, 2015, Principles of Economics, Asian Global Edition, McGraw Hill.</p> <p>Michael Parkin, 2016, Economics, Global Edition, Pearson.</p>							

Reference

Selected newspaper and/or journal articles related to economic and financial issues.