

STAGE: FORMATION 1

Subject Title:

ECONOMICS AND BUSINESS PLANNING

Examination Duration: 2 Hours

Aim

The aim of this subject is to introduce students to the nature and scope of economics and related business planning, with a focus on the practical application of theoretical concepts. Students will examine how national and international factors impact upon wealth creation and business development. The key objectives of economic policy will be considered, while the uses of analytical techniques and mathematical approaches for business planning will also be explored.

Economics and Business Planning as an Integral Part of the Syllabus

A knowledge of economics and business planning is an essential foundation for a career in accountancy and business. This subject will enable students acquire knowledge and develop skills related to economic theory, business planning and associated applications across a range of environments. The subject is particularly relevant for subsequent learning in Management Accounting, Managerial Finance, Strategic Performance Management, Strategic Corporate Finance, and Strategy and, Leadership.

Stage	Subject	Subject	Subject	Subject	Subject	Subject
P2	Strategic Corporate Finance	Strategic Performance Management	Advanced Corporate Reporting	Strategy & Leadership	Audit Practice and Assurance Services	Advanced Taxation
P1		Managerial Finance	Corporate Reporting	Corporate Laws and Governance	Auditing	
F2		Management Accounting	Financial Accounting	Information Systems	Taxation	
F1			Management in Organisations	Economics and Business Planning	Business Law and Professional Ethics	

The above table shows the linkages between Economics and Business Planning and the subjects highlighted.

Learning Outcomes

On successful completion of this subject, students should be able to:

Demonstrate a knowledge and understanding of micro and macro economic theory and related applications.

Compare different market structures and circumstances, and describe the main features and implications of each.

Identify the external factors, issues and agencies which influence and help determine the outcome of economic and business policies.

Explain how marketing and sales activities contribute to the attainment of strategic organisational objectives.

Illustrate how analytical techniques and mathematical approaches may be used in economic policy and business decision making.

Present, interpret and explain economic and business data.

Syllabus

1: NATURE AND SCOPE OF ECONOMICS: Weighting 25%	CL*
Development of economic theory and practice.	1
Economic principles and concepts.	1
Language of economics.	1
Supply, demand and price determination.	2
Market systems and the allocation of scarce resources.	2
Market structures, including - Perfect Competition, Imperfect Competition, Oligopoly, Monopoly, Monopsony.	2
Elasticities of supply and demand.	2
Concept of equilibrium.	1
Long-run and short-run cost factors.	1

Economies and diseconomies of scale.	2
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2: MACROECONOMIC THEORY AND PRACTICE: Weighting 25%

The macroeconomic environment.	1
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Government policies, objectives and instruments	1
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National Income Accounting.	2
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Determination of GDP and GNP.	
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National income multiplier and the accelerator	2
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Unemployment, inflation, recession and growth.	2
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Keynesian theory and subsequent developments.	1
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Aggregate demand and the circular flow of income.	2
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Fiscal and monetary policies and practices. Servicing the national debt.	1
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Monetary systems and currencies.	1
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Exchange rates, interest rates, credit control and availability. The role of Central Banks, the World Bank, IMF and other agencies.	
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International trade and comparative advantage.	1
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Balance of trade and balance of payments.	1
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EU economic institutions and policies.	1
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Economic growth and welfare.	1
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Current macroeconomic issues.	1
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3: BUSINESS PLANNING AND ANALYSIS: 50%

The growth and development of the organisation.	2
National and international business environments	2
Strategic and tactical planning	1
Sources of finance for business development	1
Decision making, profit maximisation and other considerations.	2
Goal and target setting	1
Marketing and sales concepts, roles and functions	1
Market planning and analysis,	1
Influences on consumer behaviour.	1
The marketing mix	1
Services marketing	1
Environmental, cultural and technological factors in marketing and sales	1
Quantitative and qualitative research	1
Sales techniques and influences	1
Ethical behaviour in marketing and selling.	1
Analytical techniques	2
Moving averages and regression analysis.	2
Measures of central tendency and dispersion. Mean, median, mode, and standard deviation.	2

Probability, sampling, statistical inference and hypothesis testing. 2

Graphical and pictorial presentation of economic and related data. The compilation, interpretation and use of bar charts, histograms, pie charts, frequency distributions, graphs and tables. 2

Assessment Strategy

EXAMINATION APPROACH

Students are required to demonstrate a knowledge and understanding of applied economics and the skills of analysis relevant to business and other organisations in the context of the role of the professional accountant.

EXAMINATION FORMAT

The examination is computer-based, closed-book and 2.0 hours in duration. Students are presented with 50 questions, each of which should be answered.

MARKS ALLOCATION

Each question carries 2 marks. The total for the examination is 100 marks, with a minimum of 50 marks required for the attainment of a pass standard.

Booklist

CORE TEXTS

Turley, Moloney and O'Toole / Principles of Economics / (Gill & Macmillan 4th ed. 2011 / ISBN-13: 978-0717149889.

Francis / Business Mathematics and Statistics / Cengage 7th ed. Revised/ ISBN-13: 978-1408083154.

Brassington and Pettitt / Essentials of Marketing / Pearson / 3rd ed. 2014 / ISBN13: 978-1292063881.

MANUALS

Griffith College CPA Skillnet Economics and Business Planning - Latest edition

SUPPLEMENTARY TEXTS AND JOURNALS

David Begg / Economics for Business / 11th ed (McGraw-Hill 2016) / ISBN-13: 978-0077154516.

McDowell, Thom, Frank & Bernanke. / Principles of Economics, (European Edition) / McGraw-Hill 2012 3rd Edition / ISBN-13: 978-0077132736.

Oakshott / Essential Quantitative Methods for Business, Management and Finance, 6th Edition / Palgrave MacMillan (2016) / ISBN-13: 978-1137518552.

Jobber, Ellis-Chadwick/ Principles and Practice of Marketing / McGraw-Hill 2016 8th Edition Revised / ISBN-13: 978-0077174149.

Kotler, Keller / Marketing Management / 15th Edition / Pearson (2015) / ISBN-13: 978-1292092621.

AccountancyPlus

CPA Students' eBulletin

USEFUL WEBSITES (AS AT DATE OF PUBLICATION)

www.cpaireland.ie - CPA Ireland

www.centralbank.ie - Central Bank of Ireland

www.finance.gov.ie - Department of Finance

www.cso.ie – The Central Statistics Office

www.esri.ie - Economics and Social Research Institute

www.ecb.europa.eu/home - European Central Bank

www.europa.eu/ - European Union

www.imf.org – International Monetary Fund

www.ibec.ie – Irish Business and Employers Confederation

www.neweconomics.org/ - New Economics Forum

<http://home.ubalt.edu/ntsbarsh/Business-stat/opre504.htm> - Professor Hossein Arsham's,(FOR, FRSS, FWIF), Statistical Thinking for Managerial Decisions.