



## Level 6 Advanced Diploma in Finance (531) 151 Credits



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| <b>Unit:</b> Economics of Social Issues  | <b>Guided Learning Hours:</b> 260   |
| <b>Exam Paper No.:</b> 5   | <b>Number of Credits:</b> 26  |
| <b>Prerequisites:</b> Knowledge of accounting and finance.   | <b>Corequisites:</b> A pass or better in Diploma in Finance or equivalence.   |
| <p><b>Aim:</b> This unit utilises economic principles and techniques to analyse social issues. Topics include: the allocation of resources, the distribution of wealth and income, health care, crime, education, environmental, tax and regulatory issues. Learners analyse basic economic principles introduced and developed through study of important social issues: including, inflation, unemployment, poverty, discrimination, crime, population growth and environmental quality. The purpose of this unit is to provide a practical background in economic theory. Such a background will enable the learners to understand how economic principles and concepts are applied to real-world problems. The unit also introduces economic concepts: nature of the market system: alternative measures of living standards; role and size of government sector. Other specific topics include education, health, income distribution and social security, migration, crime and political instability, ethics, aging, the environment and discrimination.</p> |   |
| <b>Required Materials:</b> Recommended Learning Resources.   | <b>Supplementary Materials:</b> Lecture notes and tutor extra reading recommendations.  |
| <b>Special Requirements:</b> The unit requires a combination of lectures, demonstrations and discussions.  |   |
| <p><b>Intended Learning Outcomes:</b></p> <p>1 The role of economic reasoning in alleviating human misery; the know-how, the means and methods of production available within an economy</p> <p>2 Economic systems, resource allocation, and social well-being; the drawbacks and benefits of the Market Economy, the Planned Economy and the Mixed Economy.</p> <p>3 Market prices versus government controlled prices; who benefits and who loses from price and quantity controls, and why governments use them despite their well-known problems.</p> <p>4 Pollution problems, the causes and effects of the land, air, and water pollution problem.</p>   | <p><b>Assessment Criteria:</b></p> <p>1.1 Explain why poverty is the major economic problems in the world</p> <p>1.2 Describe causes of economic activity</p> <p>1.3 Identify an economy's resources; its labour and its capital.</p> <p>1.4 Evaluate and determine the maximum GDP that a country can produce.</p> <p>1.5 Describe how a country can break from the poverty trap.</p> <p>1.6 Describe the different forms of aid</p> <p>1.7 Describe what measures the market value of all final goods and services produced within an economy during a specific time period</p> <p>2.1 Describe the different types of economic systems</p> <p>2.2 Describe the issues of resource ownership control and the mechanism through which resource allocation decisions are made.</p> <p>2.3 Illustrate how social well-being can be measured.</p> <p>3.1 Identify the reasons why governments set minimum or maximum acceptable prices</p> <p>3.2 Describe the consequences of government set prices</p> <p>3.3 Explain the outcomes of setting minimum wage</p> <p>3.4 Describe the meaning of price controls and quantity controls</p> <p>3.5 Define how price and quantity controls work, and the problems that they create</p> <p>3.6 Describe why economics are often deeply sceptical of government attempts to control markets</p> <p>4.1 Define what constitutes pollution</p> <p>4.2 Analyse the services provided by the environment.</p> |

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|   | <p>4.3 Describe the causes and effects of pollution</p> <p>4.4 Analyse the benefits of controlling pollution</p> <p>4.5 Describe the major causes of the pollution crisis</p> <p>4.6 Examine and identify measures of controlling pollution</p>  |
| <p>5 The causes of economics of crime, prevention, the causes of crime; including poverty and discrimination in the 21<sup>st</sup> century, the link between poverty and discrimination.</p> | <p>5.1 Identify different criminal activities</p> <p>5.2 Explain causes of crime</p> <p>5.3 Describe how the government's crime prevention budget is determined</p> <p>5.4 Analyse how economic analysis is helpful in fighting crime</p> <p>5.5 Describe how the government can deal with problems of poverty and low income</p> <p>5.6 Identify how poverty can be reduced</p> <p>5.7 Design anti-poverty policy program</p> |
| <p>6 The monopoly power of firms, market structures, characteristics and sources of monopoly power.</p>   | <p>6.1 Describe the disadvantages of monopoly</p> <p>6.2 Describe antitrust laws and how they effectively outlaw monopoly and anticompetitive behaviours.</p> <p>6.3 Illustrate the importance of government regulation of private business.</p> <p>6.4 Compare and contrast monopoly versus competitive markets</p>   |
| <p>7 Competition in the global market place and whether countries should protect themselves from international trade.</p>   | <p>7.1 Compare and contrast protectionism vs free trade</p> <p>7.2 Describe how international exchange markets operate</p> <p>7.3 Analyse different forms of trade restrictions</p> <p>7.4 Describe the advantages and disadvantages of import restrictions</p> <p>7.5 Analyse the different free trade areas between countries.</p>   |
| <p>8 The causes of economic growth, the Classical Economists and Keynesians views on Economic Growth.</p>   | <p>8.1 Define economic growth</p> <p>8.2 Explain causes of economic growth</p> <p>8.3 Describe the distinct phases of business cycles</p> <p>8.4 Analyse the determinants of long-run economic growth</p> <p>8.5 Describe how public policies can enhance economic growth</p>  |
| <p>9 The economic and social effects of unemployment, how unemployment causes a waste of scarce economic resources and reduces the long run growth potential of the economy.</p>              | <p>9.1 Describe the different types of unemployment</p> <p>9.2 Analyse why people lose their jobs</p> <p>9.3 Explain why an economy may operate at less than full employment</p> <p>9.4 Describe how policy makers solve unemployment problems</p> <p>9.5 Describe the social costs of unemployment</p> <p>9.6 Describe macro economic effects of unemployment</p>   |
| <p>10 Inflation; issues in measuring inflation, effects, causes and methods of controlling inflation.</p>   | <p>10.1 Explain the effects of inflation</p> <p>10.2 Describe the impact of inflation on the national production of goods and services</p> <p>10.3 Describe the functions of money</p> <p>10.4 Explain how money supply expands and contracts</p> <p>10.5 Explain the causes and cures of inflation</p>  |

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| <p>11 Government spending, taxation, the national debt and how government spending affects businesses.</p> <p>12 Understand the roles and responsibilities of both the Social Security System and the National Health System (NHS).</p>  | <p>11.1 Examine and justify government expenditures</p> <p>11.2 Explain tax principles</p> <p>11.3 Analyse the UK tax system</p> <p>11.4 Describe government budget surplus and deficit</p> <p>11.5 Outline the main areas of spending by the public sector</p> <p>11.6 Describe how the level of government spending directly or indirectly effects on all businesses</p> <p>12.1 Describe social security benefits</p> <p>12.2 Examine and analyse the national insurance contributions</p> <p>12.3 Explain if the social security system distinguish the 'deserving' and the 'undeserving' poor</p> <p>12.4 Explain the effects of social security and the NHS programs on the economy</p> <p>12.5 Describe the challenges today on social security the NHS</p> |
| <p><b>Methods of Evaluation:</b> A 3-hour written examination paper with five essay questions, each carrying 20 marks. Candidates are required to answer all questions. Candidates also undertake project/coursework in Economics of Social Issues with a weighting of 100%.</p> |  |

### Recommended Learning Resources: Economics of Social Issues

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| <p><b>Text Books</b></p>  | <ul style="list-style-type: none"> <li>• Economics of Social Issues by Ansel Sharp, Charles Register, Paul Grimes. ISBN-10: 007340280X</li> <li>• Social Issues: The Ethics and Economics of Taxes and Public Programs by John C. Winfrey. ISBN-10: 0195114337</li> <li>• Study Guide to accompany Economics of Social Issues by Margaret Ray. ISBN-10: 007328338X</li> </ul> |
| <p><b>Study Manuals</b></p>  | <p>BCE produced study packs</p>   |
| <p><b>CD ROM</b></p>         | <p>Power-point slides</p>   |
| <p><b>Software</b></p>       | <p>None</p>   |