Economics

(offered by the Department of Economics)
Telephone number 012 429 4350

1 Introduction

Economics is the study of how scarce productive resources are allocated among various uses in order to satisfy unlimited human wants. The crucial concepts flowing from this definition of the discipline are scarcity and choice. The three most important questions we have to answer in Economics are:

- What goods and services should be produced?
- How should each good or service be produced?
- For whom are the various goods and services produced?

Economics is usually divided into microeconomics and macroeconomics. In microeconomics the focus is on individual parts of the economy such as decisions of individual households and of individual firms. In macroeconomics we focus on the overall view of the economic system and study topics such as the total production and income of a country, economic growth, unemployment, inflation and the balance of payments.

In the second and third years a wide range of study units are offered, each specialising in specific applications of the above main branches. These options provide the opportunity to specialise in particular fields of study.

2 General Information

FOR THE COLLEGE OF HUMAN SCIENCES

BA students majoring in Economics must pass the two modules ECS201 and ECS202. Students not majoring in Economics may register for any TWO modules on second level.

3 Transitional Arrangements

- Students who wish to continue with postgraduate studies must have completed their major subject, in which postgraduate studies will be followed, within ten years prior to registration for their postgraduate qualification.
- To complete the third level of a major subject in Economics you must obtain credit for five modules on third-year level.

Students who wish to transfer from former TSA programmes to Unisa programmes will receive credit for the following modules (obtained after 2001)

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<th>TSA Module</th>
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<td>ECN1M2Z</td>
<td>ECS1028</td>
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<td>ECN2M2W</td>
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<td>ECN2M1W</td>
<td>ECS202B</td>
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<td>ECN2M3W</td>
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<td>ECN2M4W or LEC101L</td>
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4 Syllabus

FIRST-LEVEL MODULES
ECS1016  Economics 1A (S1 and S2)*
Purpose: to gain insight into how the basic economic problem is solved in different economic systems, how economic activity is measured and how prices are determined through decisions made by individual households and firms under conditions of perfect and imperfect competition.

ECS1028  Economics 1B (S1 and S2)*
Prerequisite: ECS101
Purpose: to gain insight into macroeconomic theory and variables such as total production and income of a country, economic growth, unemployment, inflation, and the balance of payments.

SECOND-LEVEL MODULES

ECS201A  Microeconomics (S1 and S2)*
Prerequisite: ECS101 and 102 or ECN100
Purpose: to gain insight into the behaviour of consumers and producers in the economy by studying demand and supply and its price sensitivity; consumer behaviour; production; the operation of different markets such as perfect competition, monopoly, monopolistic competition and oligopoly; general equilibrium and welfare.

ECS202B  Macroeconomics (S1 and S2)
Prerequisite: ECS101 and 102 or ECN100
Purpose: to enable students to study various theoretical macroeconomic views on the determination of income in a closed and open economy and the role of economic policy in this regard, with special reference to South Africa.

ECS203C  South African economic indicators (S1 and S2)*
Prerequisite: ECS101 and 102 or ECN100
Purpose: to enable students to demonstrate an understanding of the meaning and interpretation of a wide range of economic indicators, including various national accounting concepts, price indices and balance of payments statistics, and to apply this understanding to recent South African economic data.

ECS204D  Labour economics (S1 and S2)*
Prerequisite: ECS101 and 102 or ECN100
Purpose: to gain insight into the economic analysis of labour and the labour market with regard to the supply of and demand for labour education and training of the labour force; unemployment, vacancies and the migration of labour; trade unionism and collective bargaining, and discrimination in the labour market, and to apply this knowledge to the South African labour market.

ECS207G  Development economics (S1 and S2)*
Prerequisite: ECS101 and 102 or ECN100
Purpose: to gain insight into the current theoretical debate on the role of money in a modern economy, the operation of the South African financial system, and the implementation of monetary policy in South Africa.

ECS208H  Environmental economics (S1 and S2)*
Prerequisite: ECS101, 102 or any FOUR first-level modules
Purpose: to gain insight into the relationship between the economy and the natural environment, as well as to apply economic measures for the management and conservation of the natural environment and natural resources.

ECS209J  The South African financial system (S1 and S2)*
Prerequisite: ECS101 and 102 or ECN100
Purpose: to gain insight into the operation of the South African financial system with reference to financial institutions, instruments and markets, and to demonstrate an understanding of the way that the monetary policy is implemented in South Africa.

ECS210B  Economics of tourism (S1 and S2)*
Prerequisite: ECS101, 102 or ECN100
Purpose: to gain insight into the application of microeconomic and macroeconomic theory to the tourism environment in areas such as resource use, equilibrium in the tourism market, employment and income creation, tourism’s external account and the role of multinational enterprises.

THIRD-LEVEL MODULES

ECS301D  Monetary economics (S1 and S2)*
Prerequisite: ECS202
Purpose: to gain insight into the current theoretical debate on the role of money in a modern economy, the operation of the South African financial system, and the implementation of monetary policy in South Africa.

ECS302E  International trade (S1 and S2)*
Prerequisite: ECS201, 202
Purpose: to gain insight into some important aspects of international economics namely: the theories, advantages and disadvantages, protectionist measures, agreements, and organisations associated with international trade.

ECS303F  International finance (S1 and S2)*
Prerequisite: ECS201, 202

NB

Students may not write the examinations in both modules on first level at the same examination unless one of the modules is being repeated.
Purpose: to enable students to understand the main areas of international monetary and financial relations from a South African perspective, including
the balance of payments; the foreign exchange market; the determination of exchange rates; open economy macroeconomic theory and policy, and the
international monetary system.

**ECS304G Public economics (S1 and S2)***
*Prerequisite: ECS201
*Purpose: to gain insight into the economic reasons for government intervention in the economy, the theory of government expenditure, the theory of taxation, social
policy and public debt, and intergovernmental fiscal relations.

**ECS305H Economic policy in South Africa (S1 and S2)**
*Prerequisite: ECS201, 202
*Purpose: to enable students to develop an understanding of the rationale for and nature and usefulness of economic policy, the institutional framework
of economic policy-making in South Africa and important economic policy issues in South Africa, as well as to develop an ability to apply theoretical
knowledge in an integrated manner to the policy analysis of important economic issues in South Africa.

**ECS306J History of economic thought (S1 and S2)***
*Prerequisite: ECS201, 202
*Purpose: to enable students to understand how economics developed by studying the main contributions to economics by a number of important
economists.

**ECS307K Econometric techniques (S1 and S2)***
*Prerequisite: Students can register for ECS307K only if they
- have passed ECS201 and ECS202
- have access to a PC which can run any version of Microsoft Excel, Quattro or Lotus (or an econometrics package)
- obtained an E-symbol for Grade 12 Mathematics HG or a C-symbol for Grade 12 Mathematics SG or
- passed one of the following modules: QMI101 (Elementary quantitative methods), QMG101 (Quantitative modelling), QMS101 (Mathematical
  modelling), MAT011 (Access to mathematics), MAT112 (Mathematics), STS105 (Statistics), STS111 (Descriptive statistics), or at the discretion
  of the HOD a similar module obtained at another tertiary institution. Students with Grade 12 Mathematics only are recommended to do
  either QMS101, MAT112, STS105 or STS111.
*Purpose: to enable students to use statistical and mathematical techniques to estimate economic relationships by using actual data.