



***ECN3010 Principles of Economics***  
***(3 Credit hours)***

*Dr. Mohd Naseem Niaz Ahmad,*  
*Tel: 03-8946 7776, Email: [naseemniaz@upm.edu.my](mailto:naseemniaz@upm.edu.my),*  
*Room: D003 Faculty of Economics & Management*

---

**SYNOPSIS**

*: This course covers the fundamental theories of microeconomics and macroeconomics. The relationship between theories and economic issues are emphasized.*

**LEARNING  
OUTCOME**

- :** Students are able:
1. To explain basic economic concepts. (C2)
  2. To differentiate the principles of microeconomics and macroeconomics (C4, TS)
  3. To relate economic theory to economic issues. (A3, CS)

**TOTAL STUDENT  
LEARNING HOURS**

**:** 120 hours per semester

**PREREQUISITE**

**:** None

	LECTURE CONTENT	CONTACT HOURS
1	What is Economics <ul style="list-style-type: none"> <li>• Definition of Economics</li> <li>• Two Big Economic Questions</li> <li>• The Economic Way of Thinking</li> <li>• Economics as Social Science and Policy Tool</li> </ul> The Economic Problem <ul style="list-style-type: none"> <li>• Production Possibilities and Opportunity Cost</li> <li>• Using Resources Efficiently</li> <li>• Economic Coordination</li> </ul>	3
2	Demand and Supply <ul style="list-style-type: none"> <li>• Market and Prices</li> <li>• Demand</li> <li>• Supply</li> <li>• Market Equilibrium</li> <li>• Predicting Changes in Price and Quantity</li> </ul> Elasticity <ul style="list-style-type: none"> <li>• Price Elasticity of Demand</li> <li>• More Elasticities of Demand</li> <li>• Elasticity of Supply</li> </ul>	4
3	Possibilities, Preferences and Choices <ul style="list-style-type: none"> <li>• Consumption Possibilities</li> <li>• Preferences and Indifference Curves</li> <li>• Predicting Consumer Choices</li> </ul>	4
4	Organizing Production <ul style="list-style-type: none"> <li>• The Firm and Its Economic Problem</li> <li>• Technological and Economic Efficiency</li> </ul> Output and Costs <ul style="list-style-type: none"> <li>• Decision Time Frames</li> <li>• Short-Run Technology Constraint</li> <li>• Short-Run Cost</li> <li>• Long-Run Cost</li> </ul>	4
5	Perfect Competition <ul style="list-style-type: none"> <li>• What is Perfect Competition</li> <li>• The Firm's Output Decision</li> <li>• Output, Price and Profit in the Short Run</li> <li>• Output, Price and Profit in the Long Run</li> </ul> Monopoly <ul style="list-style-type: none"> <li>• Monopoly and How its Arises</li> <li>• A Single-Price Monopoly's Output and Price Decision</li> </ul> Monopolistic Competition <ul style="list-style-type: none"> <li>• What is Monopolistic Competition?</li> <li>• Price and Output in Monopolistic Competition</li> </ul>	10

	Oligopoly <ul style="list-style-type: none"> <li>• What is Oligopoly</li> <li>• Oligopoly Games</li> </ul>	
6	Measuring GDP and Economic Growth <ul style="list-style-type: none"> <li>• Gross Domestic Product</li> <li>• Measuring US GDP</li> </ul>	4
7	Monitoring Jobs and Inflation <ul style="list-style-type: none"> <li>• Employment and Unemployment</li> <li>• Unemployment and Full Employment</li> <li>• The Price Level, Inflation and Deflation</li> </ul>	5
8	Money, The Price Level and Inflation <ul style="list-style-type: none"> <li>• What is Money?</li> <li>• The Federal Reserve System</li> <li>• How Banks Create Money</li> <li>• The Money Market</li> </ul>	4
9	Aggregate Supply and Aggregate Demand <ul style="list-style-type: none"> <li>• Aggregate Supply</li> <li>• Aggregate Demand</li> <li>• Explaining Macroeconomic Trends and Fluctuations</li> </ul>	4
		42

**ASSESSMENT:**

Coursework	60%
Final Exam	<u>40%</u>
Total:	100%

**TEXTBOOK :**

1. Parkin, M. (2016) *Economics*. (12<sup>th</sup> Edition). London: Pearson Education Limited

**REFERENCES:**

1. Mankiw, G. N. (2017) *Principles of Economics* 8<sup>th</sup> Edition, Cengage Learning
2. McEachern, W.A. (2012) *Economics A Contemporary Introduction*. (9<sup>th</sup> Edition). Cengage Learning.
3. Case, Karl E.& Fair, Ray C. (2012) *Principles of Economics*. (10<sup>th</sup> Edition). London: Pearson Prentice Hall.

COURSE NAME: **MICROECONOMICS**

COURSE CODE: **ECN 3013**

CREDIT HOURS: 3(3+0)

CONTACT HOURS: 120 hours per semester

PREREQUISITE: ECN 3010

OBJECTIVE: Upon completion of this course, students will be able to:

1. explain main microeconomics theories and concepts. (C2)
2. relates microeconomics issues based on fundamental theories (A4, CS)
3. analyze related issues based on consumer and firm behavior in different market. (C4, TS)

SYNOPSIS: This course covers theories of consumer, firm and market behaviour. Issues related to cost and production is discussed. Various models for perfect and imperfect markets are emphasized.

## **COURSE CONTENT**

<b>LECTURE:</b>	1. <b>Introduction to Microeconomics</b>	2 hrs
	<ul style="list-style-type: none"><li>– Definition and Scope</li><li>– Tools of Microeconomics Analysis</li><li>– The Use of Microeconomics Theory and Policy</li></ul>	
	2. <b>Consumer Behavior Theory</b>	6 hrs
	<ul style="list-style-type: none"><li>– Utility Maximization</li><li>– Assumptions on Consumers' Preferences</li><li>– Indifference Curve and Utility Function</li><li>– Marginal Rate of Substitution</li><li>– Budget Line</li><li>– Utility Maximization and Consumer Equilibrium</li></ul>	
	3. <b>Analysis of Individual and Market Demand</b>	6 hrs
	<ul style="list-style-type: none"><li>– Demand Function</li><li>– Price Changes: Price-Consumption Curve</li><li>– Income Changes: Income-Consumption Curve</li><li>– Income Effects and Substitution Effects</li><li>– Market Demand</li><li>– Elasticity of Demand</li></ul>	

- |    |   |       |
|----|---|-------|
| 4. | <b>Applications of Consumer Behavior and Demand Theories</b> <ul style="list-style-type: none"><li>– The Rational Choice Model and Policy</li><li>– Welfare Comparisons</li><li>– Using Price Elasticity of Demand</li><li>– The Inter-temporal Choice Model</li><li>– Consumer Surplus</li></ul>   | 4 hrs |
| 5. | <b>Production</b> <ul style="list-style-type: none"><li>– The Input-Output Relationship: Production Function</li><li>– Production in the Short Run</li><li>– Production in the Long Run</li><li>– Returns to Scale</li></ul>  | 4 hrs |
| 6. | <b>Costs of Production</b> <ul style="list-style-type: none"><li>– Costs in the Short Run</li><li>– The Relationship among MP, AP, MC and AVC</li><li>– Costs in the Long Run</li><li>– Long-Run Costs and the Structure of the Industry</li><li>– The Relationship between Long-Run and Short-Run Cost Curves</li></ul>  | 3 hrs |
| 7. | <b>Perfect Competition</b> <ul style="list-style-type: none"><li>– Introduction, Definition and Assumptions</li><li>– Goal of Profit Maximization</li><li>– Short-Run Condition for Profit Maximization</li><li>– Short-Run Competitive Industry Supply</li><li>– Short-Run Competitive Equilibrium</li><li>– Producer Surplus</li><li>– Adjustments in the Long Run</li><li>– The Long-Run Competitive Industry Supply Curve (Constant cost industry, increasing cost industry and decreasing cost industry)</li></ul> | 6 hrs |
| 8. | <b>Monopoly</b> <ul style="list-style-type: none"><li>– Defining Monopoly</li><li>– Five Sources of Monopoly</li><li>– Profit-Maximizing Monopolist</li><li>– Monopolist has No Supply Curve</li><li>– Adjustments in the Long Run</li><li>– Price Discrimination</li><li>– The Efficiency Loss from Monopoly</li><li>– Public Policy toward Natural Monopoly</li></ul>   | 5 hrs |

9.	<b>Monopolistic Competition</b>	3 hrs
	<ul style="list-style-type: none"> <li>– Introduction, Definition and Characteristics</li> <li>– Short-Run and Long-Run Equilibrium: Chamberlin Model</li> <li>– Adjustments in the Long Run</li> <li>– Comparing Efficiency Level with Perfectly Competitive Markets</li> </ul>	
10.	<b>Oligopoly</b>	3 hrs
	<ul style="list-style-type: none"> <li>– Introduction to the Theory of Games</li> <li>– Some Specific Oligopoly Models: Cournot, Bertrand, Stackelberg</li> <li>– Game Theory and Prisoners' Dilema</li> </ul>	
	<b>Total</b>	<b>42 hrs</b>

#### ASSESSMENTS:

<b>FIRST ASSESSMENT</b>	<b>25 %</b>
Topic 1, 2, 3 & 4: Chapter 3, 4, 5 Week 5/6:	
<b>SECOND ASSESSMENT</b>	<b>25 %</b>
Topic 5, 6 & 7: Chapter 9, 10 Week 10/11:	
<b>ASSIGNMENT</b>	<b>10%</b>
Group Project/Assignments/Exercises/Quiz	
<b>FINAL EXAMINATION</b>	<b>40 %</b>
Topic 8, 9 & 10: Chapter 11, 12, 13	

#### REFERENCES:

1. Frank, R. H. (2015). **Microeconomics and Behavior. (9th Edition). New York City: McGraw-Hill/Irwin.**
2. Nicholson, W. (2012). **Intermediate Microeconomics and Its Application. (11th Edition). New York City: Cengage Learning.**
3. Pindyck, R. S. & Rubinfeld, D. L. (2012). **Microeconomics. (8th Edition). Upper Saddle River: Prentice Hall International, Inc.**

#### LECTURER:

**Associate Professor Dr. Abdul Rahim Abdul Samad**  
**abdrahim\_as@upm.edu.my**  
**Room A334**  
**03-8946 7654**

**COURSE NAME** : MAKROEKONOMI  
(Macroeconomics)

**COURSE CODE** : ECN3014

**CREDIT** : 3(3+0)

**STUDENT  
LEARNING HOUR** : 120

**PREREQUISITE** : ECN3010

**LEARNING  
OUTCOMES** : Students will be able to:

1. relate economic data to macroeconomic theory. (C4)
2. identify macroeconomic models in solving economic problems. (A3, CTPS)
3. analyze the current macroeconomic issues. (CS)

**SYNOPSIS** : *This course covers the theories, issues and macroeconomic policies. Measurement of macroeconomics variables to achieve fiscal, monetary stability and economic growth are discussed.*

Topics	Contact hours	Group assignment (Malaysian case)
1. Introduction to Macroeconomics <ul style="list-style-type: none"><li>- Major economic issues</li><li>- Macroeconomic policies</li><li>- Aggregation in Macroeconomics</li></ul>	3	
2. Measurement and Structure of the National Economy <ul style="list-style-type: none"><li>- National income accounts</li><li>- The main measure of output</li><li>- Saving and wealth—private and government</li><li>- Real GDP, price indexes, and inflation</li></ul>	3	Measurement and structure of gross domestic products
3. Productivity, Output, and Employment <ul style="list-style-type: none"><li>- The Aggregate Production Function</li><li>- The Demand and Supply of Labour</li><li>- Labour Market Equilibrium</li><li>- Output and Unemployment - Okun's Law</li></ul>	5	Supply, demand and mismatch
4. Consumption, Saving and Investment <ul style="list-style-type: none"><li>- Consumption and Consumption and Saving</li><li>- Investment</li><li>- Goods Market Equilibrium</li></ul>	4	1. Consumption structure and determinants 2. Foreign Direct Investment versus gross fixed capital formation

5. The Asset Market, Money and Prices <ul style="list-style-type: none"> <li>- Measuring Money</li> <li>- The Function of Money</li> <li>- The Demand and Supply of Money</li> <li>- Asset Market Equilibrium</li> <li>- Money Growth and Inflation</li> </ul>	5	Money growth and inflation
6. A General Framework for Macroeconomic Analysis <ul style="list-style-type: none"> <li>- The FE Line: Equilibrium in the Labor Market</li> <li>- The IS Curve: Equilibrium in the Goods Market</li> <li>- The LM Curve: Equilibrium in the Asset Market</li> <li>- Price Adjustment and General Equilibrium in IS-LM Model</li> <li>- Aggregate Demand and Aggregate Supply Model</li> </ul>	6	Monetary neutrality
7. Keynesianism: Wage and Price Rigidity <ul style="list-style-type: none"> <li>- Real-Wage Rigidity</li> <li>- Price Stickiness</li> <li>- Monetary and Fiscal Policy in the Keynesian Model</li> </ul>	4	Wage rigidity and labour productivity
8. Unemployment and Inflation <ul style="list-style-type: none"> <li>- The Phillips Curve</li> <li>- The Problem and issues of Unemployment</li> <li>- The Problem and issues of Inflation</li> </ul>	4	Inflation and unemployment
9. Monetary Policy and Central Bank System <ul style="list-style-type: none"> <li>- Principles of Money Supply Determination</li> <li>- The Conduct of Monetary Policy: Rules vs Discretion</li> </ul>	4	Monetary control during economic crises
10. Government Spending and Financing <ul style="list-style-type: none"> <li>- Government Spending and Taxes</li> <li>- Government Deficits and Debts</li> <li>- Government Deficits and Inflation</li> </ul>	4	Deficit and economic growth

## Assessments

Tasks	% of grading
<b>Test 1</b> (multiple choices and essays) TOPIC 1 - 3 - week 5/6	20%
<b>Test 2</b> (multiple choices and essays) Week 10/11 TOPIC 4 - 6	20%
<b>Assignments</b> (presentation and report)	20%
<b>Final examination</b> TOPIC 7 - 10	40%

**Lecturer** : Assoc. Prof. Dr. Lee Chin  
 Room E203, 2<sup>nd</sup> Floor, Block E, FEP  
 Tel: +603-89467769  
 Email: [leechin@upm.edu.my](mailto:leechin@upm.edu.my).

**Reference** : Abel, A.B.; Bernanke, B.S. & Croushore, D. (2017). *Macroeconomics*. (9<sup>th</sup> Edition). Pearson Education Limited, Essex, England.



<b>COURSE NAME</b>	:	MACROECONOMICS
<b>COURSE CODE</b>	:	ECN 3102
<b>CREDIT</b>	:	3 (3+0)
<b>TOTAL STUDENT LEARNING HOURS</b>	:	120 hours per semester
<b>PREREQUISITE</b>	:	ECN 3100
<b>LEARNING OUTCOMES</b>	:	<p>Students will be able to:</p> <ol style="list-style-type: none"> <li>1. relate the basic macroeconomic theory to the current economic problems. (C5, P1, A4)</li> <li>2. analyse information and data related to macroeconomics. (C4, CTPS)</li> <li>3. produce macroeconomics reports in group. (C1, P3, CS)</li> </ol>
<b>SYNOPSIS</b>	:	<p>Kursus ini melibatkan keseimbangan diantara ekonomi klasikal dan Keynesian yang merangkumi perakaunan pendapatan negara, pasaran buruh, pasaran barangan dan pasaran wang, model Keynes, inflasi dan pengangguran serta komponen pembiayaan awam.</p> <p><i>(With a balanced treatment of both classical and Keynesian economics, this course covers national income accounts; labor market, commodity markets, money market, , Keynes model, inflation and unemployment as well as public finance component).</i></p>

## LECTURE CONTENT

### Contact hours

- LECTURE**
1. Introduction to macroeconomics
    - Macroeconomic issues

– Macroeconomic policy	4
– Classical Vs Keynesian	
2. The measurement and structure of the National Economy	
– National income accounting: the measurement of production, income and expenditure	4
– Gross Domestic Product – GDP	
– Saving and investment	
– Real GDP , price index and inflation	
3. Productivity, output, and employment	
– Production function	
– The demand and supply for labor	4
– Labor market equilibrium	
– Output and employment- Okun’s Law	
4. Consumption, saving and investment	
– Consumption and saving	
– Investment	3
– Goods market equilibrium	
5. Asset market, money and prices	
– What is money	
– Portfolio allocation	4
– The demand for money	
– Asset market equilibrium	
– Money growth and inflation	
6. Model IS-LM/AD-AS: A General framework for macroeconomic analysis	
– FE line: equilibrium in the labor market equilibrium	6
– IS curve: equilibrium in the goods market	
– LM curve: equilibrium in the asset market	
– Price adjustment and the attainment of general equilibrium	
– Aggregate demand and aggregate supply models	
7. Keynesian: Wage and price rigidities	

	– Real wage rigidity	4
	– Price rigidity	
	– Monetary policy and Fiscal policy in the Keynesian model	
8.	Unemployment and inflation	
	– Phillips curve	
	– The problem of unemployment	4
	– The problem of inflation	
9.	Monetary policy and Central banking system	
	– Principle of money supply determination	
	– The conduct of Monetary policy : rules Vs discretion	3
10.	The government budget and its financing	
	– Governemnt outlays	
	– Taxes	4
	– Deficit and surplus	
	– Government capital formation	
	– Incentive effects of Fiscal Policy	
	<b>Total</b>	<b>40</b>

<b>ASSESMENTS:</b>	Course Work	60% (Test 1, Test 2, Quiz 1 & Quiz 2)
	Final examination	40%

#### REFERENCES:

1. Abel, A.B. dan Bernanke, B.S. (2013) *Macroeconomics*. Eighth Edition. Boston: Pearson.
2. Delong, J. B. dan Olney, M. L. (2006) *Macroeconomics*. Second Edition. New York: McGraw Hill Companies, Inc.
3. Froyen, R.T. (2002) *Macroeconomics: Theories and Policies*, 7<sup>th</sup> Ed. New Jersey: Prentice Hall.
4. Miller, R. L. dan David V. (2004) *Macroeconomics: Theories, Policies, and International Applications*. 3<sup>rd</sup> Ed. Singapore: Thomson Learning.
5. Tan, Hui Boon. (2002) *Makroekonomi: Teori, Dasar dan Aplikasi*. 2<sup>nd</sup> Ed. Singapore: Thomson Learning.

**COURSE NAME:** HISTORY OF ECONOMIC THOUGHT  
(*Sejarah Pemikiran Ekonomi*)

**COURSE CODE:** ECN 3111

**CREDIT :** 3(3+0)

**TOTAL STUDENT  
LEARNING HOURS:** 120 hours per semester

**PREREQUISITE:** ECN 3005 or ECN 3102

**LEARNING:  
OUTCOMES** Students will be able to:

1. Clarify the evolution of history economic thought. (C1,P1, A1)
2. explain the historical background of the existing economic theories. (C2, P2)
3. justify the economic theories critically (C3, A3, P3, CT)

**SYNOPSIS:** This course covers the evolution of economics since 1500 until the present times, while focusing on the changes in economic thought and policy in response to underlying social and economic problems.

*(Kursus ini merangkumi evolusi ilmu ekonomi sejak tahun 1500 sehingga kini, dimana perhatian akan diberikan kepada perubahan dalam pemikiran dan dasar ekonomi yang disebabkan oleh masalah- masalah sosial dan ekonomi.)*

**LECTURE  
CONTENT**

**CONTACT  
HOURS**

- |    |  |   |
|----|--|---|
| 1. | Introduction   |   |
|    | <ul style="list-style-type: none"><li>- The importance of studying History of Economic Thought</li><li>- Origin of economic thoughts</li><li>- Economics as a the study of science</li></ul> | 3 |
| 2  | Merchantilist School   | 3 |
|    | <ul style="list-style-type: none"><li>- The evolution of market economy from the</li></ul>   |   |

	Feudal period	
	- The major ideas of the Mercantilist School	
	- Gold and Silver as the store of value	
3.	Physiocratic School	3
	- The importance of Agriculture sector	
	- Quesnay's Tableau Economique	
	- The interrelatedness among the different sectors of the economy	
4.	Classical School	5
	- The main ideas of Classical School	
	- "Wealth of Nations" by Adam Smith	
	- The role of "invisible hand"; the theory of value	
	- Long term economic growth	
	- The labor theory of value (eg: "deer-beaver")	
5.	Ricardo and Malthus 's Thoughts	4
	- Ricardo's ideas of the law of comparative advantage , costs and rent	
	- Malthus theory of population growth	
	- Weakness of Malthusian theory	
6.	Bentham, Say and Mill's Thought	3
	- Bentham's Principle of "pain-pleasure"	
	- Say's Law in the Classical System	
	- Mill as the last great economist of the Classical School	
7.	The Main ideas of Marginalist School	3
	- Cournot dan Dupuit's contributions	
	- Jevons, Menger, Von Wieser dan Von Bohm-Bawerk' thoughts	
	- Edgeworth and John Bates Clark's thoughts	
8.	The Main ideas of Neoclassical School	6
	- Marshall's contributions	
	- Marshallian Cross	
	- The assesment of Neoclassical theory	
	- Monetary Economics in Neoclassical School	
	- Imperfect Competition in Neoclassical School	
9.	The Main ideas of Keynesian School	6

- “aggregate demand” concept
- Equilibrium and “full-employment”
- Monetary and Fiscal Policies
- 9.3 Hicks, Hansen dan Samuelson’s contributions

10.	The Major Ideas of Chicago School	6
	<ul style="list-style-type: none"> <li>- Friedman and the importance money</li> <li>- Fiscal policy’s limitations</li> <li>- Phillips Curve</li> <li>- Stigler, Becker and Lucas’s contributions</li> <li>- Conclusions of History Economic Thoughts (Western Economic Thought)</li> </ul>	
	<b>Total</b>	<b>42</b>

<b>ASSESSMENTS:</b>	Course Work	60%
	Final Examination	40%

#### **REFERENCES:**

1. Brue, S. L. (2013). *The Evolution of Economic Thought*. Eighth Edition. London: The Dryden Press.
2. Ekelund, Jr., Robert B. dan Robert F. Hebert. (2007). *A History of Economic Theory and Method*. Fourth Edition. New York: McGraw-Hill.
3. Landreth, H. and Colander, D.C. (2001). *History of Economic Thought*. New York: Houghton Mifflin Company.
4. Roncaglia, A. (2005). *The Wealth of Ideas: A History of Economic Thought*. London: Cambridge United Press.
5. Vaggi, G and Groenewegen, P. (2003). *A Concise History of Economic Thought: From Merchantilism to Monetarism*. New York: Palgrave Macmillan.

**COURSE NAME:** Introduction to Islamic Economics

**COURSE CODE:** ECN 3112

**CREDIT :** 3 (3+0)

**NUMBER OF  
HOUR  
STUDENTS  
LEARNING** : 120

**PRE-REQUISITE:** ECN 3003 or ECN 3100

**LEARNING  
OUTCOMES**

1. Explain concepts, principles and methods used in Islamic Economics
2. Elaborate the uniqueness of Islamic Economic approaches.
3. Compiling an economic system based on Islamic economic system.

**SYNOPSIS:** This course covers the principles and practices of Islamic economics. Fundamentals, philosophy and sectoral division in Islamic economics are emphasized. Comparison between conventional economics and Islamic economics is discussed

**LECTURE COVERAGE:**

LECTURE	TOPICS	TEACHING HOUR
1	Conventional economic methods <input type="checkbox"/> Constructing theories and models in conventional economics <input type="checkbox"/> Assumptions in conventional economics <input type="checkbox"/> Scientific, scientific, inductive, deductive, positive and normative economic methods <input type="checkbox"/> The source of conventional economics and Islamic economics	5
2	Introduction to Islamic economics <input type="checkbox"/> Measurement of perfect life <input type="checkbox"/> Relations between religion and economy <input type="checkbox"/> How economics are taught in the Quran <input type="checkbox"/> Islamic economic principles	4
3	The values and characteristics of Islamic economy <input type="checkbox"/> The three basic principles of Islamic creed <input type="checkbox"/> Relations of tauhid and economic activities <input type="checkbox"/> Probability and economic activities <input type="checkbox"/> Strategies of the life of the Muslim community	4
4	Consumption and production in Islam <input type="checkbox"/> Analysis of morality <input type="checkbox"/> Theory of use in Islam <input type="checkbox"/> Production theory in Islam	4

	<input type="checkbox"/> The market structure in Islam	
5	Distribution of income and prices in Islam <input type="checkbox"/> Concept of Istikhlaf against God's property <input type="checkbox"/> Rent and wages of Islam <input type="checkbox"/> Riba, interest and profit <input type="checkbox"/> The Islamic law of inheritance and its economic interests	4
6	Islamic financial theory <input type="checkbox"/> Money and financial authorities <input type="checkbox"/> Principles and means of Islamic bank travel <input type="checkbox"/> Principles and means of takaful travel <input type="checkbox"/> Islamic finance in non-Muslim communities	4
7	Zakat and budget expenditure <input type="checkbox"/> Government revenue form <input type="checkbox"/> The principle of zakat <input type="checkbox"/> Zakat as a budget tool <input type="checkbox"/> Differences in zakat and taxes	4
8	Land property right in Islam <input type="checkbox"/> Private property in the Qur'an <input type="checkbox"/> Private ownership according to the Hadith <input type="checkbox"/> Fudal ownership and Shariah law <input type="checkbox"/> Share farms according to Islam <input type="checkbox"/> Principles of property management according to Islam	5
9	The issue of interest rate (usury) <input type="checkbox"/> The need to re-evaluate the role of usury <input type="checkbox"/> Economic growth without usury <input type="checkbox"/> Economic system without usury	4
10	Development planning according to Islam <input type="checkbox"/> The concept of development according to Islam <input type="checkbox"/> Islamic government budget <input type="checkbox"/> Economic planning according to Islam <input type="checkbox"/> Development of waqf property	4

### Course evaluation:

Course work : 60%

Final Exam : 40%

### REFERENCES

1. Ahmed,H, M. & Wilson, R. (2013). *Islamic Banking and FinancialCrisis: Reputation, StabilityandRisk*.Edinburgh:UniversityPress.
2. Ahmed,H.&Muhammad,S.H.(2011).*HandbookofIslamicEconomics, Voll,Exploringth eEssenceofIslamicEconomics*.Jeddah:IslamicResearch&TrainingInstitute,IslamicD evelopmentBankGroup.
3. NikMustaphaHj.NikHassan.(2012).*AnIslamicParadigminEconomics:VisionandMissi on*.KualaLumpur:InstitutKefahamanIslamMalaysia.



4. SayyidAbdulA'laMawdudi.(2011).*FirstPrinciplesofIslamicEconomics*.Leicestershire: TheIslamicFoundation.
5. Tolefat,A.K.&Asutay,M.(2013). *TakafullInvestmentPortfolios: AStudyoftheCompositi  
onofTakafulFunds intheGCCandMalaysia*. London: JohnWiley&Sons.

<b>NAMA KURSUS</b>	:	EKONOMI MALAYSIA <i>(Malaysian Economy)</i>
<b>KOD KURSUS</b>	:	ECN3113
<b>KREDIT</b>	:	3(3+0)
<b>JUMLAH JAM PEMBELAJARAN PELAJAR</b>	:	120
<b>PRASYARAT</b>	:	ECN3010
<b>HASIL PEMBELAJARAN</b>	:	<p>Pelajar dapat:</p> <ol style="list-style-type: none"> <li>1. menganalisis keberkesanan dasar pembangunan ke atas ekonomi. (C4, CS)</li> <li>2. menghuraikan perkembangan dasar pembangunan ekonomi Malaysia. (A3)</li> <li>3. merumuskan isu semasa ekonomi Malaysia. (TS, LS)</li> </ol>
<b>SINOPSIS</b>	:	<p>Kursus ini merangkumi struktur ekonomi Malaysia dalam konteks pelbagai teori ekonomi pembangunan. Skop bagi sebuah negara sedang membangun, ekonomi pertanian, ekonomi dualisma dan ekonomi antarabangsa dibincangkan.</p> <p><i>(This course covers the structures of the Malaysian economy in the context of various theories of economic development. The discussion includes the scope for a developing country, agricultural economy, dualism economy and international economy are discussed.)</i></p>

**KANDUNGAN  
KURSUS**

**Jam  
Pembelajaran  
Bersemuka**

<b>KULIAH</b>	:	1.	<ul style="list-style-type: none"><li>- History and economic transformation</li><li>- The different phases of Malaysian economic development until now.</li><li>- The impact of British colonization in Malaysia</li><li>- Economic plan in Malaysia.</li></ul>	4
		2.	Population, labour force, employment structure and wages <ul style="list-style-type: none"><li>- Population size, trend and its measurements</li><li>- Population characteristics in Malaysia</li><li>- Labour force, employment and unemployment in Malaysia</li><li>- Migration</li><li>- Labour force issues</li><li>- Employment strategy</li></ul>	4
		3.	Agricultural Sector <ul style="list-style-type: none"><li>– Introduction</li><li>– Importance of the agricultural sector</li><li>– Development of agricultural sector</li><li>– Agricultural development programs in Malaysia</li><li>– Issues and challenges faced by the agricultural sector.</li><li>– Strategies for the agricultural sector.</li><li>–</li></ul>	5
		4.	Manufacturing Sector <ul style="list-style-type: none"><li>– Development of Manufacturing sector</li><li>– The role of industrial sector in Malaysian economy</li><li>– Industrial development policies</li><li>– Role of heavy industries in Malaysia</li><li>– Small medium industries in Malaysia</li><li>– Challenges in the Industrial sector</li></ul>	3
		5.	Services sector <ul style="list-style-type: none"><li>– Types of services sector in</li><li>– Development of services sector.</li><li>– The role of services sector to Malaysian economy</li><li>– Growth of services sector</li><li>– Government policy</li></ul>	3

6.	Tourism Sector	4
	<ul style="list-style-type: none"> <li>– The Importance of services sector</li> <li>– Growth and development of services sector in Malaysia</li> <li>– Explain the determinants of growth of tourism in Malaysia</li> </ul>	
7.	The government sector	5
	<ul style="list-style-type: none"> <li>– Fiscal policy in Malaysia</li> <li>– Government revenue</li> <li>– Government Expenditure</li> <li>– Privatization</li> <li>–</li> </ul>	
8.	Growth, Poverty, and distribution	4
	<ul style="list-style-type: none"> <li>– Causes of poverty in Malaysia</li> <li>– Measures to eradicate poverty</li> <li>– Income distributions</li> <li>– Poverty eradication programs in Malaysia</li> </ul>	
9.	Development and environment	5
	<ul style="list-style-type: none"> <li>– Environment in Malaysia</li> <li>– Environmental issues in Malaysia</li> <li>– Green concern in Malaysia.</li> <li>– Government policies to protect environment in Malaysia</li> </ul>	
10.	Malaysian economy: Prospect and challenges.	5
	<ul style="list-style-type: none"> <li>– Asian Financial crisis- 1997</li> <li>– Causes of crisis</li> <li>– Economic recession</li> <li>– Liberalization and globalization</li> <li>– Prospect and challenges</li> </ul>	

<b>Jumlah</b>	<b>42</b>
---------------	-----------

**ASSESSMENT** : COURSE WORK 60%  
FINAL EXAM 40%

- REFERENCES** :
1. Ching, P. W. (2015). *Malaysian Economy*. Kuala Lumpur: SJ Learning.
  2. Economic Planning Unit. (2016). *Eleventh Malaysia Plan*. Kuala Lumpur: Percetakan Nasional Berhad.
  3. Khalid, M. A. (2014). *The Colour of Inequality: Ethnicity, Class, Income and Wealth in Malaysia*. Kuala Lumpur: MPH Group Publishing.
  4. Lebar, H., Anas, Y. & Choo, T. H. (2014). *Malaysian Economy*. Kuala Lumpur: Oxford University Press.
  5. Rasiah, R. (2011). *Malaysian Economy: Unfolding Growth and Social Change*. Kuala Lumpur: Oxford University Press.

**COURSE NAME** : **STATISTICAL ECONOMICS**

**COURSE CODE** : ECN3221

**CREDIT** : 4(3+1)

**TOTAL STUDENT  
LEARNING HOURS** : 160 hours per semester

**PREREQUISITE** : MTH 3003

**LEARNING  
OUTCOME** : Students are able to:

1. explain the important statistical concepts in economics and business. (C2, CS)
2. demonstrate the use of statistical methods to analyze economic and business problems. (C4, P2, CT)
3. apply statistic package to analyze data and explain the output. (A4, P4, CT)

**SYNOPSIS** : This course includes sampling, sampling distribution, estimation, hypothesis testing, Chi-square tests, analysis of variance, nonparametric statistics, simple linear regression and correlation, multiple regression, multiple regression models, time series, index numbers and decision analysis.

**LECTURER** : Dr. Nur Syazwani Mazlan  
Room No: A331 (Block A), FEP  
Email: nur.syazwani@upm.edu.my  
Tel No: 03-89467578

**CONSULTATION** : Monday: 10AM – 12PM

## LECTURE CONTENT

## Contact Hours

- |  |   |
|--|---|
| 1. Sampling distributions  | 3 |
| ○ Selecting a sample   |   |
| ○ Sampling distribution of the mean  |   |
| ○ Sampling distribution of a proportion  |   |
| 2. Interval estimation   | 3 |
| ○ Population mean: Population standard deviation known   |   |
| ○ Population mean: Population standard deviation unknown   |   |
| ○ Determining the sample size  |   |
| ○ Population proportion  |   |
| 3. Hypothesis testing  | 5 |
| ○ Developing null and alternative hypothesis   |   |
| ○ Type I and II errors   |   |
| ○ Population mean: Population standard deviation known   |   |
| ○ Population mean: Population standard deviation unknown   |   |
| ○ Population proportion  |   |
| ○ Calculating the probability type II error  |   |
| ○ Determining the sample size for a hypothesis test about a population mean                              |   |
| 4. Inference about means and proportions with two population   | 4 |
| ○ Inference about the difference between two population means:<br>Population standard deviation known    |   |
| ○ Inferences about the difference between two population means:<br>Population standard deviation unknown |   |
| ○ Inferences about the difference between two population means: matched samples                          |   |
| ○ Inferences about the difference between two population proportions                                     |   |
| 5. Inference about population variances  | 3 |
| ○ Inferences about a population variance   |   |
| ○ Inferences about two population variance   |   |
| 6. Comparing multiple proportions  | 3 |
| ○ Testing the equality of population proportions for three or more populations                           |   |
| ○ Test of independence   |   |
| ○ Goodness of fit test   |   |
| 7. Experimental design and analysis of variance  | 4 |
| ○ An introduction of experimental design and analysis of variance  |   |
| ○ Analysis of variance and the completely randomized design  |   |
| ○ Multiple comparison procedures   |   |
| ○ Randomized block design  |   |

○ Factorial experiment	
8. Simple linear regression	<b>4</b>
○ Simple linear regression model	
○ Least square method	
○ Coefficient of determination	
○ Model assumptions	
○ Testing for significance	
○ Using the estimated regression equation for estimation and prediction	
9. Multiple regression	<b>6</b>
○ Multiple regression model	
○ Least square method	
○ Multiple coefficient of determination	
○ Model assumptions	
○ Testing for significance	
○ Using the estimated regression equation for estimation and prediction	
10. Time series analysis and forecasting	<b>4</b>
○ Time series pattern	
○ Forecast accuracy	
○ Moving average and exponential smoothing	
○ Trend projection - Linear	
11. Index numbers	<b>3</b>
○ Price relatives	
○ Aggregate price indexes	
○ Computing an aggregate price index from price relatives	
○ Some important price indexes	
○ Deflating a series by price indexes	
○ Quantity indexes	
<b>TOTAL</b>	<b>42</b>

<b>LAB/TUTORIAL</b>	<b>Contact Hours</b>
1. Sampling distributions	<b>1</b>
○ Selecting a sample	
○ Sampling distribution of the mean	
○ Sampling distribution of a proportion	
2. Interval estimation	<b>1</b>
○ Population mean: Population standard deviation known	



- Population mean: Population standard deviation unknown
- Determining the sample size
- Population proportion
  
- 3. Hypothesis testing 2
  - Developing null and alternative hypothesis
  - Type I and II errors
  - Population mean: Population standard deviation known
  - Population mean: Population standard deviation unknown
  - Population proportion
  - Calculating the probability type II error
  - Determining the sample size for a hypothesis test about a population mean
  
- 4. Inference about means and proportions with two population 1
  - Inference about the difference between two population means: Population standard deviation known
  - Inferences about the difference between two population means: Population standard deviation unknown
  - Inferences about the difference between two population means: matched samples
  - Inferences about the difference between two population proportions
  
- 5. Inference about population variances 1
  - Inferences about a population variance
  - Inferences about two population variance
  
- 6. Comparing multiple proportions 2
  - Testing the equality of population proportions for three or more populations
  - Test of independence
  - Goodness of fit test
  
- 7. Experimental design and analysis of variance 1
  - An introduction of experimental design and analysis of variance
  - Analysis of variance and the completely randomized design
  - Multiple comparison procedures
  - Randomized block design
  - Factorial experiment
  
- 8. Simple linear regression 1
  - Simple linear regression model
  - Least square method
  - Coefficient of determination
  - Model assumptions
  - Testing for significance
  - Using the estimated regression equation for estimation and prediction

9. Multiple regression	1
o Multiple regression model	
o Least square method	
o Multiple coefficient of determination	
o Model assumptions	
o Testing for significance	
o Using the estimated regression equation for estimation and prediction	
10. Time series analysis and forecasting	1
o Time series pattern	
o Forecast accuracy	
o Moving average and exponential smoothing	
o Trend projection	
o Seasonality and trend	
o Time series decomposition	
11. Index numbers	2
o Price relatives	
o Aggregate price indexes	
o Computing an aggregate price index from price relatives	
o Some important price indexes	
o Deflating a series by price indexes	
o Quantity indexes	
<b>TOTAL</b>	<b>14</b>

<b>ASSESSMENT</b>	:	<b>Coursework</b>	<b>60%</b>
		Test 1	20% (Topics 1-3, W5)
		Test 2	20% (Topics 4-6, W9)
		Assignments	20%
		<b>Final Examination</b>	<b>40% (Topics 7-11)</b>

**REFERENCES :**

1. Barrow, M. (2013). *Statistics for Economics, Accounting and Business Studies* (Sixth Edition). Pearson.
2. Keller, G. (2012). *Managerial Statistics* (9<sup>th</sup> International Edition). South-Western, Cengage Learning.
3. Anderson R.D., J.D. Sweeney and A.T. William (2008). *Statistics for Business and Economics* (10<sup>th</sup> Edition). Mason Ohio: South-Western.

4. Mason, R.D., D.A. Lind and W.G. Marchal. (2008) *Statistical Techniques in Business and Economics* (13<sup>th</sup> edition). New York: McGraw-Hill.
5. McClave, T.J., P.G. Benson and T. Sincich. (2008). *Statistical for Business and Economics* (10<sup>th</sup> edition). New Jersey: Pearson Prentice Hall.
6. Salvatore, D. and D. Reagle. (2011). *Schaum's outlines: Statistics and Econometrics* (2<sup>nd</sup> Edition),. New York: McGraw-Hill.

**COURSE NAME** : **STATISTICAL ECONOMICS**

**COURSE CODE** : ECN3221

**CREDIT** : 4(3+1)

**TOTAL STUDENT  
LEARNING HOURS** : 160 hours per semester

**PREREQUISITE** : MTH 3003

**LEARNING  
OUTCOME** : Students are able to:

1. explain the important statistical concepts in economics and business. (C2, CS)
2. demonstrate the use of statistical methods to analyze economic and business problems. (C4, P2, CT)
3. apply statistic package to analyze data and explain the output. (A4, P4, CT)

**SYNOPSIS** : This course includes sampling, sampling distribution, estimation, hypothesis testing, Chi-square tests, analysis of variance, nonparametric statistics, simple linear regression and correlation, multiple regression, multiple regression models, time series, index numbers and decision analysis.

**LECTURER** : Dr. Nur Syazwani Mazlan  
Room No: A331 (Block A), FEP  
Email: nur.syazwani@upm.edu.my  
Tel No: 03-89467578

**CONSULTATION** : Monday: 10AM – 12PM

## LECTURE CONTENT

## Contact Hours

- |  |   |
|--|---|
| 1. Sampling distributions  | 3 |
| ○ Selecting a sample   |   |
| ○ Sampling distribution of the mean  |   |
| ○ Sampling distribution of a proportion  |   |
| 2. Interval estimation   | 3 |
| ○ Population mean: Population standard deviation known   |   |
| ○ Population mean: Population standard deviation unknown   |   |
| ○ Determining the sample size  |   |
| ○ Population proportion  |   |
| 3. Hypothesis testing  | 5 |
| ○ Developing null and alternative hypothesis   |   |
| ○ Type I and II errors   |   |
| ○ Population mean: Population standard deviation known   |   |
| ○ Population mean: Population standard deviation unknown   |   |
| ○ Population proportion  |   |
| ○ Calculating the probability type II error  |   |
| ○ Determining the sample size for a hypothesis test about a population mean                              |   |
| 4. Inference about means and proportions with two population   | 4 |
| ○ Inference about the difference between two population means:<br>Population standard deviation known    |   |
| ○ Inferences about the difference between two population means:<br>Population standard deviation unknown |   |
| ○ Inferences about the difference between two population means: matched samples                          |   |
| ○ Inferences about the difference between two population proportions                                     |   |
| 5. Inference about population variances  | 3 |
| ○ Inferences about a population variance   |   |
| ○ Inferences about two population variance   |   |
| 6. Comparing multiple proportions  | 3 |
| ○ Testing the equality of population proportions for three or more populations                           |   |
| ○ Test of independence   |   |
| ○ Goodness of fit test   |   |
| 7. Experimental design and analysis of variance  | 4 |
| ○ An introduction of experimental design and analysis of variance  |   |
| ○ Analysis of variance and the completely randomized design  |   |
| ○ Multiple comparison procedures   |   |
| ○ Randomized block design  |   |

○ Factorial experiment	
8. Simple linear regression	<b>4</b>
○ Simple linear regression model	
○ Least square method	
○ Coefficient of determination	
○ Model assumptions	
○ Testing for significance	
○ Using the estimated regression equation for estimation and prediction	
9. Multiple regression	<b>6</b>
○ Multiple regression model	
○ Least square method	
○ Multiple coefficient of determination	
○ Model assumptions	
○ Testing for significance	
○ Using the estimated regression equation for estimation and prediction	
10. Time series analysis and forecasting	<b>4</b>
○ Time series pattern	
○ Forecast accuracy	
○ Moving average and exponential smoothing	
○ Trend projection - Linear	
11. Index numbers	<b>3</b>
○ Price relatives	
○ Aggregate price indexes	
○ Computing an aggregate price index from price relatives	
○ Some important price indexes	
○ Deflating a series by price indexes	
○ Quantity indexes	
<b>TOTAL</b>	<b>42</b>

<b>LAB/TUTORIAL</b>	<b>Contact Hours</b>
1. Sampling distributions	<b>1</b>
○ Selecting a sample	
○ Sampling distribution of the mean	
○ Sampling distribution of a proportion	
2. Interval estimation	<b>1</b>
○ Population mean: Population standard deviation known	

- Population mean: Population standard deviation unknown
- Determining the sample size
- Population proportion
  
- 3. Hypothesis testing 2
  - Developing null and alternative hypothesis
  - Type I and II errors
  - Population mean: Population standard deviation known
  - Population mean: Population standard deviation unknown
  - Population proportion
  - Calculating the probability type II error
  - Determining the sample size for a hypothesis test about a population mean
  
- 4. Inference about means and proportions with two population 1
  - Inference about the difference between two population means: Population standard deviation known
  - Inferences about the difference between two population means: Population standard deviation unknown
  - Inferences about the difference between two population means: matched samples
  - Inferences about the difference between two population proportions
  
- 5. Inference about population variances 1
  - Inferences about a population variance
  - Inferences about two population variance
  
- 6. Comparing multiple proportions 2
  - Testing the equality of population proportions for three or more populations
  - Test of independence
  - Goodness of fit test
  
- 7. Experimental design and analysis of variance 1
  - An introduction of experimental design and analysis of variance
  - Analysis of variance and the completely randomized design
  - Multiple comparison procedures
  - Randomized block design
  - Factorial experiment
  
- 8. Simple linear regression 1
  - Simple linear regression model
  - Least square method
  - Coefficient of determination
  - Model assumptions
  - Testing for significance
  - Using the estimated regression equation for estimation and prediction

9. Multiple regression	1
o Multiple regression model	
o Least square method	
o Multiple coefficient of determination	
o Model assumptions	
o Testing for significance	
o Using the estimated regression equation for estimation and prediction	
10. Time series analysis and forecasting	1
o Time series pattern	
o Forecast accuracy	
o Moving average and exponential smoothing	
o Trend projection	
o Seasonality and trend	
o Time series decomposition	
11. Index numbers	2
o Price relatives	
o Aggregate price indexes	
o Computing an aggregate price index from price relatives	
o Some important price indexes	
o Deflating a series by price indexes	
o Quantity indexes	
<b>TOTAL</b>	<b>14</b>

<b>ASSESSMENT</b>	:	<b>Coursework</b>	<b>60%</b>
		Test 1	20% (Topics 1-3, W5)
		Test 2	20% (Topics 4-6, W9)
		Assignments	20%
		<b>Final Examination</b>	<b>40% (Topics 7-11)</b>

**REFERENCES :**

1. Barrow, M. (2013). *Statistics for Economics, Accounting and Business Studies* (Sixth Edition). Pearson.
2. Keller, G. (2012). *Managerial Statistics* (9<sup>th</sup> International Edition). South-Western, Cengage Learning.
3. Anderson R.D., J.D. Sweeney and A.T. William (2008). *Statistics for Business and Economics* (10<sup>th</sup> Edition). Mason Ohio: South-Western.



4. Mason, R.D., D.A. Lind and W.G. Marchal. (2008) *Statistical Techniques in Business and Economics* (13<sup>th</sup> edition). New York: McGraw-Hill.
5. McClave, T.J., P.G. Benson and T. Sincich. (2008). *Statistical for Business and Economics* (10<sup>th</sup> edition). New Jersey: Pearson Prentice Hall.
6. Salvatore, D. and D. Reagle. (2011). *Schaum's outlines: Statistics and Econometrics* (2<sup>nd</sup> Edition),. New York: McGraw-Hill.

**COURSE NAME** : INTRODUCTION TO ECONOMETRICS  
(*Pengenalan Ekonometrik*)

**COURSE CODE** : ECN4122

**CREDIT** : 4 (3+1)

**TOTAL STUDENT  
LEARNING HOURS** : 160 hours per semester

**PREREQUISITE** : ECN3122

**LEARNING  
OUTCOMES** : Students will be able to:

1. explain econometric concepts and theories from perspectives of specification, estimation and model validation. (C2, P1, A3, CS)
2. synthesize information with econometric model (C5, P4, A3)
3. identify necessary steps in econometric model building. (C5, P3)
4. analyze economic problems using econometrics and apply econometric software to process data. (C4, P6, CT)

**SYNOPSIS:** This course includes assumptions and concept of the general linear model, econometric research method, simple regression, multiple regression, generalised least square, statistical inference, heteroscedasticity, autocorrelation, multicollinearity, lagged variable, dummy independent variable, simultaneous equation models, identification and estimation of simultaneous equation models.

*(Kursus ini meliputi andaian-andaian model linear, kaedah penyelidikan ekonometrik, regresi mudah, regresi berbilang, teknik kuasa dua terkecil umum, inferen statistik, heteroskedastisiti, autokorelasi, kolineariti berbilang, pembolehubah lat, pembolehubah tak bersandar dami, model persamaan serentak, pencaman dan penganggaran model persamaan serentak.)*

**LECTURE  
CONTENT****Contact  
Hours**

- |    |  |   |
|----|--|---|
| 1. | Introduction to Econometric Package - EViews   | 6 |
|    | <ul style="list-style-type: none"><li>- Data Input</li><li>- Data transformation</li><li>- Graph</li><li>- Descriptive Statistics</li><li>- Correlation</li></ul>  |   |
| 2. | Simple Regression Model  | 6 |
|    | <ul style="list-style-type: none"><li>- Simple Regression</li><li>- Estimation using OLS</li><li>- Statistical aspects of the simple regression</li><li>- Interpretation of regression results</li><li>- <math>R^2</math> and T-tests</li><li>- <i>P-value</i></li></ul> |   |
| 3. | Multiple Regression Analysis   | 6 |
|    | <ul style="list-style-type: none"><li>- Multiple regression model</li><li>- Estimation using OLS</li><li>- Statistical aspects of multiple regression</li><li>- Interpretation of regression results</li><li>- <math>R^2</math> and F-Test</li></ul>                     |   |
| 4. | Heteroskedasticity Problem and Tests   | 5 |
|    | <ul style="list-style-type: none"><li>- Regression model (cross-sectional data)</li><li>- Identification and tests of heteroskedasticity</li><li>- Remedial measures</li></ul>   |   |
| 5. | Autocorrelation Problem and Tests  | 5 |
|    | <ul style="list-style-type: none"><li>- Regression model (time series data)</li><li>- Identification and tests of autocorrelation</li><li>- Remedial measures</li></ul>  |   |
| 6. | Multicollinearity Problem and Tests  | 4 |
|    | <ul style="list-style-type: none"><li>- Multiple regression model</li><li>- Identification and Tests of multicollinearity</li><li>- Remedial measures</li></ul>  |   |
| 7. | Lagged Variables   | 3 |
|    | <ul style="list-style-type: none"><li>- Model with lagged variables</li><li>- Estimation and Interpretation of results</li></ul>   |   |
| 8. | Dummy Independent Variables  | 4 |
|    | <ul style="list-style-type: none"><li>- Data with dummy variable</li><li>- Model with dummy variables</li></ul>  |   |

	- Estimation and Interpretation of results	
9.	Simultaneous Equations	3
	- Simultaneous equation model	
	- Estimation and Interpretation of results	
<b>Total</b>		<b>42</b>

<b>LAB WORK /TUTORIAL</b>		<b>Contact Hours</b>
1.	Introduction to Econometric Package - EViews <ul style="list-style-type: none"> <li>- Data Input</li> <li>- Data transformation</li> <li>- Graph</li> <li>- Descriptive Statistics</li> <li>- Correlation</li> </ul>	6
2.	Simple Regression Model <ul style="list-style-type: none"> <li>- Simple Regression</li> <li>- Estimation using OLS</li> <li>- Statistical aspects of the simple regression</li> <li>- Interpretation of regression results</li> <li>- <math>R^2</math> and T-tests</li> <li>- <i>P-value</i></li> </ul>	6
3.	Multiple Regression Analysis <ul style="list-style-type: none"> <li>- Multiple regression model</li> <li>- Estimation using OLS</li> <li>- Statistical aspects of multiple regression</li> <li>- Interpretation of regression results</li> <li>- <math>R^2</math> and F-Test</li> </ul>	6
4.	Heteroskedasticity Problem and Tests <ul style="list-style-type: none"> <li>- Regression model (cross-sectional data)</li> <li>- Identification and tests of heteroskedasticity</li> <li>- Remedial measures</li> </ul>	5
5.	Autocorrelation Problem and Tests <ul style="list-style-type: none"> <li>- Regression model (time series data)</li> <li>- Identification and tests of autocorrelation</li> <li>- Remedial measures</li> </ul>	5
6.	Multicollinearity Problem and Tests <ul style="list-style-type: none"> <li>- Multiple regression model</li> <li>- Identification and Tests of multicollinearity</li> </ul>	4

	- Remedial measures	
7.	Lagged Variables <ul style="list-style-type: none"> <li>- Model with lagged variables</li> <li>- Estimation and Interpretation of results</li> </ul>	3
8.	Dummy Independent Variables <ul style="list-style-type: none"> <li>- Data with dummy variable</li> <li>- Model with dummy variables</li> <li>- Estimation and Interpretation of results</li> </ul>	4
9.	Simultaneous Equations <ul style="list-style-type: none"> <li>- Simultaneous equation model</li> <li>- Estimation and Interpretation of results</li> </ul>	3
	<b>Total</b>	<b>42</b>

**ASSESSMENT:**

Coursework 60%  
Final examination 40%

**REFERENCES:**

1. Maddala. G. S. (2001). *Introduction to Econometrics*. Third Edition. New York: John Wiley.
2. Stock, J. H. and Watson, M. W. (2006). *Introduction to Econometrics*. Second Edition. New York: Pearson Addison Wesley.
3. Studenmund, A. H. (2006). *Using Econometrics A Practical Guide* (International Ed.) Fifth Edition. Boston: Pearson Addison Wesley.
4. Wooldridge, J. M. (2006). *Introductory Econometrics A Modern Approach*. Third Edition. Ohio: Thomson South Western.
5. Dowling, Edward T. 2001. *Introduction to Mathematical Economics* (Third Edition). Schaum's Outlines.

**NAME OF COURSE** : Project Evaluation

**COURSE CODE** : ECN4261

**CREDIT** : 3(3+0)

**TOTAL CREDIT HOUR** : 120

**PRE-CONDITION** : ECN3013

**LEARNING OUTCOME** :

- Student will:
  1. Assess the methods of planning and managing Project development. (C5, LL)
  2. Identify the important concept and cycle in Project planning. (C4, A4)
  3. Apply the cost benefit analysis for project planning and evaluation. (CTPS)

**SYNOPSIS** : This course includes the theories and techniques of planning, relationship between planning at micro/project and macro/sector levels. Project evaluation techniques; traditional and discounting methods and issues in project planning and evaluation are discussed

<b>COURSE OUTLINE</b>	<b>:</b>	<b><u>CREDIT HOURS</u></b>
<b>LECTURE</b>	<b>:</b>	
1.	Introduction to the project <ul style="list-style-type: none"> <li>– Economic growth, planning in macro stage/sector and micro/project</li> <li>– Project cycle</li> <li>– Evaluation in Project planning</li> <li>– Election of Project and location</li> </ul>	5
2.	Demand projection of project offer on material and services. <ul style="list-style-type: none"> <li>- Projection on market demand</li> <li>– Consumer and market analysis</li> </ul>	4
3.	Project design <ul style="list-style-type: none"> <li>– Combination determination of production technology</li> <li>– Input material and output process requirement</li> </ul>	4
4.	Comparison between financial and economic analysis <ul style="list-style-type: none"> <li>- Financial analysis characteristic</li> <li>– Economic analysis characteristic</li> </ul>	4
5.	Cost benefits analysis <ul style="list-style-type: none"> <li>– The basic welfare of cost benefits analysis</li> <li>– Nine steps of cost benefits analysis</li> <li>– The methods discounting and project disputes: net present value (NPV), cost benefit ratio (B/C ratio), Internat rate of return (IRR)</li> </ul>	5
6.	Determine cost and benefit <ul style="list-style-type: none"> <li>– Criteria "with project" and "without project"</li> <li>– Types of cost and benefit project</li> </ul>	4
7.	Analysis on cost and benefit project with no market value <ul style="list-style-type: none"> <li>– Basic economic valuation</li> <li>– Concept of producer and consumer surplus</li> </ul>	4
8.	Economic valuation methods <ul style="list-style-type: none"> <li>– Rasidual method in economic rent assessment</li> </ul>	5

	– Productivity change method	
	– Travel cost method	
	– Contingent valuation method	
9.	Project evaluation method	3
	– Integration of Project impact valuation in cost benefit analysis	
10.	Issues in the use of cost benefit analysis	4
	– Risk and uncertainty	
	– External effects, Environment impact assessment (EIA) and social impact in Project analysis	
	<b>Total</b>	<b>42</b>

<b>EVALUATION</b>	:	Assignment	60%
		Final Examination	40%

<b>REFERENCES</b>	:	1.	Barbier, E. B. & Markandya, A. (2013). <i>A New Blueprint for a Green Economy</i> . London. Earthscan.
		2.	Boardman, A., Greenberg, D., Vining A. & Weimer D. (2010). <i>Cost-Benefit Analysis (4<sup>th</sup> Edition)</i> . New York. The Pearson Series in Economics.
		3.	Fujiwara, D. & Campbell, R. (2011) . <i>Valuation Techniques for Social Cost-Benefit Analysis: Stated Preference, Revealed Preference and Subjective Well-Being Approaches</i> . London: Department of Works and Pension.
		4.	Quah, E. & Toh, R. (2011). <i>Cost-Benefit Analysis: Cases and Materials</i> . New York. Routledge.
		5.	Stermole, F. J. & Stermole, J. M. (2014). <i>Economic Evaluation and Investment Decision Methods. (14<sup>th</sup> Edition)</i> . New York. Investment Evaluations Corporation.



**COURSE NAME:** TOURISM AND RECREATION ECONOMICS  
(*Ekonomi Pelancongan Dan Rekreasi*)

**COURSE CODE:** ECN 4135

**CREDIT :** 3 (3+0)

**TOTAL STUDENT :  
LEARNING HOURS** 120 hours per semester

**PREREQUISITE:** ECN 3100

**LEARNING:  
OUTCOMES** Students will be able to:

1. identify recreational resources and tourism for planning and management purposes. (C4)
2. evaluate public goods related to recreational resources and tourism. (C5, P2, CTPS)
3. identify business opportunities in the recreational resources and tourism industry. (A4, KK)

**SYNOPSIS:** This course covers the concept and effects on recreation and tourism economics. The source recreation and tourism are discussed. The application of economic evaluation methods in determining the source value of recreation and tourism is emphasized.

*(Kursus ini merangkumi konsep dan kesan ekonomi rekreasi dan pelancongan. Sumber rekreasi dan pelancongan dibincangkan. Aplikasi kaedah penilaian ekonomi dalam menentukan nilai sumber rekreasi dan pelancongan ditekankan.)*

**LECTURE  
CONTENT**

**Contact  
Hours**

1. Recreational
- Recreational, Hospitality and Tourism concept
  - Impact of Tourism and Recreational development

3

2. Impact of Tourism and Recreational development	3
- Impact of TR on individual and Societal development	
- Impact of TR on the Nations economy	
- The results of TR development	
3. Tourism and Recreational Economy	6
- Recreation as satisfaction/experience/product	
- The imperfect market of Tourism and Recreation	
- Recreation as a public good	
4. The demand for tourism and recreation	6
- The demand and supply for tourism and outdoor recreation	
- The evaluation of demand and supply for tourism and outdoor recreation	
5. The supply of tourism and recreation	6
- The supply of tourism and recreation services and facilities	
- The evaluation of supply in tourism and recreation	
- Tourism and recreation services and facilities inventory	
6. Demand And Estimation Techniques	6
- Econometric techniques	
- Non WTP based techniques	
- WTP based techniques	
7. Travel cost method	3
- Introduction	
- Application in TR Resource Evaluation	
8 Contingency Valuation Method	3
- Introduction	
- Application in TR Resource Evaluation	
9. Hedonic price	3
- Properties of hedonic price	
- Application in TR Resource Evaluation	
10. Optimal use in TR	3
- supply increment and TR resources	
- TR resource diversification	
<b>Total</b>	<b>42</b>

<b>ASSESSMENT</b>	:	Coursework	60%
		Mid-term Exam = 30% (Topics 1-5)	
		Assignment = 30%	
		Final Exam (Topics 6-10)	40%

## REFERENCES:

1. Tribe J. (2004). *The Economics of Recreation, Leisure and Tourism*. Third Edition. New York: Butterworth-Heinemann.
2. Cook, R. A., Yale L. J. and Marqua, J. J. (2010). *Tourism: The Business of Travel*. Fourth Edition. New Jersey: Pearson Prentice Hall.
3. Bateman I. J., and Willis, K. G (2001). *Valuing Environmental Preferences: Theory and Practice of the Contingent Valuation Method in the US, EU and Developing Countries*. New York: Oxford University Press.
4. Ewert, A.W, DC Baker, G.C Bissix. (2004). *Integrated Resource and Environmental Management: The Human Dimension*. Newbury: CABI Publishing.
5. Hanley N, Douglass S. W. and Wright R. E. (2003). *The New Economics of Outdoor Recreation*. New York : Edward Elgar Publishing Ltd.
6. Robert W. M, Charles R.G and Ritchie B. (2005). *Tourism: Principles, Practices and Philosophies*. Tenth Edition, New York: John Wiley & Sons, Inc.

**COURSE NAME** : MONEY, FINANCIAL INSTITUTIONS AND BANKING  
(*Wang, Institusi Kewangan Dan Perbankan*)

**COURSE CODE** : ECN4140

**CREDIT** : 3(3+0)

**TOTAL STUDENT LEARNING HOURS** : 120 hours per semester

**PREREQUISITE** : ECN3102 or ECN3105

**LEARNING OUTCOMES** : Students will be able to:

1. explain concepts of money, structure and financial institutions (C2, A3)
2. analyze the issues of money, banking, domestic and international financial markets (C4, P2, CT)
3. relate the macroeconomic goals achievement with structure and financial institutions (C4, P3, A3)
4. produce a group report within a given time frame (C3, P2, TS, KK)

**SYNOPSIS** : This course discusses both institutional and theoretical aspects of financial market behavior that include financial market system, money, interest rate, stock market, foreign exchange market, international financial system, financial structure and banking.  
(*Kursus ini membincangkan aspek institusi dan teori gelagat pasaran kewangan yang merangkumi sistem pasaran kewangan, wang, kadar bunga, pasaran saham, pasaran pertukaran asing, sistem kewangan antarabangsa, struktur kewangan dan perbankan.*)

<b>LECTURE CONTENT</b>	<b>Contact Hours</b>
1. Financial Market	4
- Functions, Structure and Instruments of Financial Markets	
- Functions of Financial Intermediation: Indirect Financial Markets	

	<ul style="list-style-type: none"> <li>- Types of Financial Intermediation</li> <li>- Regulations of Financial Markets</li> </ul>	
2.	<b>Money</b> <ul style="list-style-type: none"> <li>- Meaning of Money and Function of Money</li> <li>- Evolution of the Payments System</li> <li>- Measuring Money</li> </ul>	3
3.	<b>Interest Rates</b> <ul style="list-style-type: none"> <li>- Measuring Interest Rates</li> <li>- The Distinction between Interest Rates and Returns</li> <li>- The Distinction between Real and Nominal Interest Rates</li> </ul>	3
4.	<b>The Behavior of Interest Rates</b> <ul style="list-style-type: none"> <li>- Determinants of Asset Demand</li> <li>- Supply and Demand in the Bond Market</li> <li>- Changes in Equilibrium Interest Rates</li> <li>- Supply and Demand in the Market for Money</li> </ul>	5
5.	<b>The Stock Market, the Theory of Rational Expectations, and the Efficient Market Hypothesis</b> <ul style="list-style-type: none"> <li>- Valuation of Stock</li> <li>- How the Market Sets Stock Prices</li> <li>- The Theory of Rational Expectations</li> <li>- The Efficient Market Hypothesis</li> <li>- Behavioral Finance</li> </ul>	6
6.	<b>The Foreign Exchange Market</b> <ul style="list-style-type: none"> <li>- Exchange Rates in the Long Run</li> <li>- Exchange Rates in the Short Run</li> <li>- Determinants of Exchange Rates</li> </ul>	4
7.	<b>The International Financial System</b> <ul style="list-style-type: none"> <li>- Intervention in the Foreign Exchange Market</li> <li>- Balance of Payments</li> <li>- Capital Controls</li> <li>- The Role of the IMF</li> </ul>	4
8.	<b>An Economic Analysis of Financial Structure</b> <ul style="list-style-type: none"> <li>- Basic Facts about Financial Structure</li> <li>- Transaction Costs and Asymmetric</li> </ul>	4

	Information	
	- Financial Crisis and Aggregate Economic Activity	
9.	Banking and the Management of Financial Institutions	5
	- Commercial Banks	
	- The Bank Balance Sheet	
	- Basic Banking	
	- Principles of Bank Management	
	- Managing Credit Risk and Interest Rate Risk	
10.	Banking Industry: Structure and Competition	4
	- Historical Development of the Banking System	
	- Financial Innovation and the Evolution of the Banking Industry	
	- E-Finance	
	- Structure of the Commercial Banking Industry	
	<b>Total</b>	<b>42</b>

<b>ASSESSMENT</b>	:	Coursework	60%
		Final Exam	40%

<b>REFERENCES</b>	:	<ol style="list-style-type: none"> <li>1. Mishkin, F. S. (2007) <i>The Economics of Money, Banking and Financial Markets</i>. 8<sup>th</sup> Edition. Boston: Pearson Addison Wesley.</li> <li>2. Hubbard, R. G. (2007) <i>Money, the Financial System and the Economy</i>. 6<sup>th</sup> Edition. New York: Pearson Addison Wesley.</li> <li>3. Thomas, L. B. (2006) <i>Money, Banking and Financial Markets</i>. Ohio: Thomson South-Western.</li> <li>4. Cecchetti, S.G. (2006) <i>Money, Banking and Financial Markets</i>. Boston: McGraw Hill International Edition.</li> <li>5. Ritter, L.S., Silber, W. L. and Udell, G. F. (2004) <i>Money, Banking and Financial Markets</i>. 11<sup>th</sup> Edition. London: Pearson Addison Wesley.</li> </ol>
-------------------	---	--



***ECN4142 Economic Integration***  
***(3 Credit hours)***

*Dr. Mohd Naseem Niaz Ahmad, Tel: 03-8946 7776,*  
*Email: [naseemniaz@upm.edu.my](mailto:naseemniaz@upm.edu.my), Room: D003 Faculty of Economics & Management*

---

**SYNOPSIS :** The course includes the current emerging economic unions around the world, theory of economic integration and the criteria to form an economic and monetary union, and the harmonization of policies in an economic union.)

**LEARNING OUTCOMES** :

Students are able to:

1. To explain the emergence of regional economic trade and the theories of economic integration as well as the concepts of globalization. (C2, P1, A1)
2. To describe the importance of alliances and global and regional economic cooperation.(C4,A3,EM)
3. To debate the current issues of economic integration. (C3, P2, CS)

**CREDIT** : 3 (3+0)

**TOTAL STUDENT LEARNING HOURS** : 120 hours per semester

**PREREQUISITE** : ECN 3105 (Macroeconomics I)

	<b>LECTURE CONTENTS</b>	<b>Contact Hours</b>
1.	Types of Economic Society <ul style="list-style-type: none"> <li>- The objective of economic integration</li> <li>- Free trade area</li> <li>- Customs Union</li> <li>- Common markets</li> <li>- Monetary Union</li> <li>- Economic union</li> <li>- Economic integration among developed countries</li> </ul>	4
2.	Theory of Economic Integration <ul style="list-style-type: none"> <li>- The effects of customs union trade</li> <li>- The creation and commercial</li> <li>- Pro-competitive effects</li> <li>- The effect of scale economy</li> <li>- Factor mobility in the common market</li> <li>- Trade and economic growth</li> </ul>	5
3.	European Union <ul style="list-style-type: none"> <li>- Introduction to the European community and European Union</li> <li>- EU Institutions</li> <li>- EU and the world</li> <li>- The stage of EU integration</li> <li>- The objective of European Union</li> <li>- Towards common targets / goals</li> </ul>	4
4.	European Single Market <ul style="list-style-type: none"> <li>- Liberalization of the EU market</li> <li>- The rules of competitions</li> <li>- Benefits of a single market</li> </ul>	3
5.	Monetary Integration <ul style="list-style-type: none"> <li>- The benefits and costs of monetary integration</li> <li>- The optimal currency and monetary union</li> <li>- Toward monetary integration in the EU</li> <li>- The establishment of EU</li> <li>- Fiscal policy and monetary integration in the EU</li> </ul>	5
6.	Policy Harmonization in EU <ul style="list-style-type: none"> <li>- Budget Policy</li> <li>- Tax Policy</li> <li>- Agricultural policy with</li> <li>- Trade Policy</li> <li>- Regional policy</li> <li>- Social Policy</li> <li>- Transport policy with</li> </ul>	5



	<ul style="list-style-type: none"> <li>- Industry Policy</li> <li>- Energy policy</li> </ul>	
7.	Free trade agreement - NAFTA: North American Free Trade Agreement	4
8.	Free trade agreement - ASEAN: Association of Southeast Asian Nations - APEC: Asia-Pacific Economic Cooperation	4
9.	Economic Growth Triangle - East ASEAN Growth Area – Brunei Darussalam, Indonesia, Malaysia dan Philippines (BIMP-EAGA) - Indonesia, Malaysia and Thailand Growth Triangle (IMT-GT) - Indonesia, Malaysia and Singapore Growth Triangle (IMS-GT)	4
10.	Other economic blocks - South Asian Institute for Regional Co-operation (SAARC) - Gulf Co-operation Council (GCC) - Economic Co-operation Organization (ECO) - Economic Community of West African States (ECOWAS) - Economic Community of Central African States (ECCAS) - South American Regional Economic Organization (ERCOSUR)	4
	<b>Total</b>	<b>42</b>

**ASSESSMENT:**

Coursework	60%
Final Exam	<u>40%</u>
Total:	100%

**REFERENCES:**

1. Susan Senior Nello (2011) *The European Union: Economics, policies and history* (3 rd).
2. Balassa, B (2011). *The Theory of Economics Integration*. 1<sup>st</sup> edition Routledge;
3. Robson, P. (1998). *The Economics of International Integration*. London: Routledge.
4. Molle, W.(2006). *The Economics of European Integration: Theor, Practice and Policy*. Fifth Edition. Aldershot: Ashgate.
5. Hitiris, T. (2003). *European Union Economics*. London: Pearson Education Limited.
6. Pelkmans, J. (2006). *European Integration: Methods and Economic Analysis*. London: Prentice Hall.
7. Rosamoud, B (2007). *Theories of European Integration*, New York: St. Martin's Press.
8. Korres, G.M (2007). *Regionalization, Growth and Economics Integration*. New York : Springer.

## COURSE OUTLINE

**COURSE TITLE** : Labour Economics

**COURSE CODE** : ECN4153

**CREDIT VALUE** : 3 (3+0)

**TOTAL HOURS  
OF STUDENT  
LEARNING** : 120

**PREREQUISITE** : ECN3003

**OUTCOME** : Students will be able to:

1. Explain labour market operations. (C2, P2, A3).
2. Apply government policies related to the labour market. (C3, P2, A2, Em).
3. Analyze current issues between labour and employer. (C4, P2, A1, Ct).
4. Prepare tasks in group. (C3, Ts)

**SYNOPSIS** : This course covers the economic concepts of labour and labour market, methods of estimating labour demand and supply, the role of labour union as well as the role of government in dealing with labour problems.

### CONTENTS

		Face to Face Hours
<b>LECTURE</b>	1. Introduction	
:	<ul style="list-style-type: none"> <li>- The Actors in The Labour Market</li> <li>- Why Do We Need A Theory?</li> </ul>	3
	2. Labour Supply	
	<ul style="list-style-type: none"> <li>- Measuring Labour Force</li> <li>- Work-Leisure Decision</li> <li>- Elasticity of Labour Supply</li> <li>- Labour Supply Of Women</li> </ul>	3
	3. Labour Demand	
	<ul style="list-style-type: none"> <li>- The Production Function</li> <li>- The Employment Decision in Short-Run and Long-Run</li> <li>- The Elasticity of Substitution</li> <li>- Policy Application</li> </ul>	3
	4. Labour Market Equilibrium	3

- Equilibrium in A Single Competitive Labour Market
- Competitive Equilibrium Across Labour Markets
- The Economic Benefits from Immigration
- Non-competitive Labour Markets
- Monosopny And Monopoly

#### 5. Labour Market Equilibrium

- Equilibrium in A Single Competitive Labour Market
- Competitive Equilibrium Across Labour Markets 3
- The Economic Benefits from Immigration
- Non-competitive Labour Markets
- Monosopny And Monopoly

#### 6. Compensating Wage Differentials

- The Market for Risky Jobs 3
- The Hedonic Wage Function
- Compensating Differentials And Job Amenities

#### 7. Human Capital

- Education in The Labour Market
- Present Value
- The Schooling Model
- Education and Earnings 3
- Estimating The Rate of Return of Schooling
- Post-school Human Capital Investments
- On-The-Job Training
- On-The-Job Training And The Age-Earnings Profile

#### 8. Human Capital

- Education in The Labour Market
- Present Value
- The Schooling Model
- Education and Earnings 3
- Estimating The Rate of Return of Schooling
- Post-school Human Capital Investments
- On-The-Job Training
- On-The-Job Training and The Age-Earnings Profile

#### 9. The Wage Structure

- The Earnings Distribution 3
- Measuring Inequality
- The Wage Structure
- Inequality Across Generations

#### 10. Labour Mobility 3

- Geographic Migration as A Human Capital Investment
- Family Migration
- Immigrant Performance in Us Labour Market
- The Decision to Immigrate
- Job Turnover and Job Match
- Specific Training, The Age Earnings Profile And Job Turnover

#### 11. Labour Market Discrimination

- Race and Gender in The Labour Market
- The Discrimination Coefficient 3
- Types of Discrimination
- Measuring Discrimination
- Discrimination Against Other Groups

#### 12. Labour Market Discrimination

- Race and Gender in The Labour Market
- The Discrimination Coefficient 3
- Types of Discrimination
- Measuring Discrimination
- Discrimination Against Other Groups

#### 13. Labour Market Discrimination

- Race and Gender in The Labour Market
- The Discrimination Coefficient 3
- Types of Discrimination
- Measuring Discrimination
- Discrimination Against Other Group

#### 14. Labour Union

- Determinants of Union Membership 3
- Monopoly Unions
- Efficient Bargaining
- Wage And Nonwage Effects Of Union

**TOTAL 42**

**ASSESSMENT** : Coursework : 60%  
Final Examination : 40%

**REFERENCES** : Ehrenberg, R. G., & Smith, R. S. (2016). *Modern labor economics: Theory and public policy*. Routledge.

<b>COURSE NAME:</b>	ECONOMICS OF STRATEGY												
<b>COURSE CODE:</b>	ECN 4154												
<b>CREDIT:</b>	3 (3+0)												
<b>TOTAL STUDENT:</b>	120 hours per semester												
<b>LEARNING HOURS</b>													
<b>PREREQUISITE:</b>	ECN 3103												
<b>LEARNING:</b>	Students will be able to:												
<b>OUTCOME</b>	<ol style="list-style-type: none"> <li>1. identify economic methods for solving problems of business management. (C4)</li> <li>2. elaborate the economic approach in making decisions on business strategy. (A4, KK)</li> <li>3. relate economic approach with the strategy of the firm. (C5, CTPS)</li> </ol>												
<b>SYNOPSIS:</b>	This course covers the economic theory that becomes the foundation for strategic business decision. The relationship of economic theory to business strategy is emphasized.												
<b>LECTURER:</b>	AZMAN HASSAN Room A102/112 email: azmanhs@upm.edu.my												
<b>LECTURE:</b>	MONDAY 10:00-12:00AM WEDNESDAY 10:00-11:00AM												
<b>CONSULTATION:</b>	MONDAY 3:00-5:00PM WEDNESDAY 3:00-5:00PM FRIDAY 10:00-12:00NOON or by appointment												
<b>TEXTBOOK:</b>	Baye, M.R., & Prince, J.T. (2017) <i>Managerial Economics and Business Strategy</i> , 9 <sup>th</sup> Ed., McGraw-Hill												
<b>ASSESSMENT:</b>	<table> <tr> <td>Assignment</td><td>10%</td></tr> <tr> <td>Test 1</td><td>15%</td></tr> <tr> <td>Test 2</td><td>15%</td></tr> <tr> <td>Paper &amp; Presentation</td><td>20%</td></tr> <tr> <td>Final Exam</td><td><u>40%</u></td></tr> <tr> <td>Total</td><td><u>100%</u></td></tr> </table>	Assignment	10%	Test 1	15%	Test 2	15%	Paper & Presentation	20%	Final Exam	<u>40%</u>	Total	<u>100%</u>
Assignment	10%												
Test 1	15%												
Test 2	15%												
Paper & Presentation	20%												
Final Exam	<u>40%</u>												
Total	<u>100%</u>												

## **CONTENT**

### **I. Chapter 1. Fundamentals**

#### **A. Introduction.**

- 1. Economics*
- 2. Managerial Decisions*

#### **B. Components of Effective Decision Making**

- 1. Identify Goals and Constraints:*
- 2. Recognize the Nature and Importance of Profits:*
- 3. Understanding Incentives.*
- 4. Understand Markets*
- 5. Recognize the Time Value of Money*
- 6. Appreciate Marginal Analysis*

### **II. Chapter 2. Market Forces:**

#### **A. The Demand Side.**

- 1. Demand Shifters*
- 2. Demand Function*
- 3. Consumer Surplus*

#### **B. The Supply Side.**

- 1. Supply Shifters*
- 2. Supply Function*
- 3. Producer Surplus*

#### **C. Market Equilibrium and Price Restriction.**

- 1. Price floors*
- 2. Price Ceilings*

#### **D. Comparative Statics.**

- 1. Supply or Demand Shifts*
- 2. Supply and Demand Shifts*

### **III. Chapter 3. Quantitative Demand Analysis**

#### **A. Elasticity of Demand**

- 1. Own Price Elasticity*
- 2. Cross Price Elasticities*
- 3. Income Elasticities*
- 4. Other Elasticities.*

#### **B. Elasticities and demand functions**

- 1. Linear Demand functions.*
- 2. Logarithmic Demand.*

#### **D. Estimating Demand: Regression Analysis.**

- 1. Interpreting the significance of individual parameter estimates*
- 2. Nonlinear and Multiple Regressions*

## **Week 5: Test 1**

#### **IV. Chapter 5. The Production Process and Costs**

##### **A. The Production Function**

1. *Short Run Production vs Long Run Production*
2. *Returns to scale*

##### **B. Costs Functions.**

1. *Short run and Long-Run Costs*
2. *Economies of Scale*

##### **C. Multiple Output Cost functions**

1. *Economies of Scope*
2. *Cost complementarities*

#### **V. Chapter 6. Organization of Firm**

##### **A. Optimal Methods of Obtaining Inputs**

1. *Options*
2. *Factors affecting choice of the optimal method*

##### **C. Managerial Compensation and the Principal-Agent Problem.**

1. *Owner Manager Principal-Agent Problem.*
2. *Forces that Discipline Managers.*
3. *Manager Worker Principal-Agent Problem.*

#### **Week 10 Test 2**

#### **VI. Chapter 7. Nature of Industry**

##### **A. Structure-Conduct-Performance (SCP)**

1. *Market Structure*
2. *Conduct*
3. *Performance*

##### **B. SCP Paradigm**

1. *Casual View*
2. *Feedback Critique*
3. *Relation to Five-Forces Framework*

#### **VII. Chapter 8. Managing in Competitive, Monopolistic and Monopolistically Competitive Markets.**

##### **A. Perfect Competition.**

1. *Assumptions*
2. *Optimal short run decisions*
3. *Long run decisions.*

##### **B. Monopoly**

1. *Assumptions, Sources of monopoly power.*
2. *Graphical and Analytical Characterization.*
3. *Social Costs of Monopoly*

##### **C. Monopolistic Competition**

1. *Assumptions*
2. *Long run Equilibrium*
3. *Implications of Product Differentiation.*



## **VIII. Chapter 11. Pricing Strategies.**

### **A. Basic Pricing Strategies for Firms with Market Power**

1. *Optimal Pricing for a monopolist or monopolistic competitor*
  - a. *Basic Case*
  - b. *Imperfect Demand Information*

### **B. Strategies that yield higher profits**

1. *Price Discrimination*
2. *Two part pricing.*
3. *Commodity Bundling*
4. *Peak Load Pricing*

- REFERENCES** :
1. Baye, M. R., & Prince, J. T. (2017). *Managerial Economics and Business Strategy. (9<sup>th</sup> Edition)*. Berkshire: McGraw-Hill Education.
  2. Besanko, D., Dranove, D., Shanley, M. & Schaefer, S. (2013). *Economics of Strategy. (6<sup>th</sup> Edition)*. New York: John Wiley and Sons.
  3. Froeb, L. M., McCann, B. T., & Ward, M. R. (2013). *Managerial Economics, A Problem-Solving Approach. (3<sup>rd</sup> Edition)*. New York: Cengage Learning.
  4. Keat, P. & Erfle, S. (2014). *Managerial Economics. (7<sup>th</sup> Edition)*. New York: Pearson Prentice Hall.
  5. Perloff, J. M., & Brander, J. A. (2014). *Managerial Economics and Strategy*. New York: Pearson Prentice Hall.

COURSE NAME: **ECONOMIC DEVELOPMENT I**

COURSE CODE: **ECN 4163**

CREDIT HOURS: 3 (3+0)

PREREQUISITES: ECN 3103 or ECN 3105

OBJECTIVES : After attending the course, students will be able to:

1. understand the concept, theory, policy, strategy and the purpose of economic development and planning.
2. use the economics and social indicators in measuring economics development.
3. analyse sources and problems in economics development.

SYNOPSIS : This course includes the development concepts, historical growth findings of developed countries, internal development problems such as poverty, inequitable distribution of wealth and income, low productivity, population growth ,migration.

#### COURSE CONTENT

LECTURE:	<b>1. Development Studies</b>	3 hrs
	Traditional economic, political economic and development economic The concept of development Measurement of development from traditional economic point of view. New perspective of development. Objective and value of development	
	<b>2. Structures And Characteristics Of The Developing Economies</b>	3 hrs
	2.1 Defining the Developing World. 2.2 Structure of the developing nations 2.3 Characteristics of the developing nations	
	<b>3. Classical Theories of Development</b>	6 hrs
	Linear-Stages Theories Structural-Change Models The International-Dependence Revolution The Neoclassical Counterrevolution The New Growth Theory	
	<b>4. Contemporary models of development</b>	5 hrs
	4.1 Underdevelopment as a Coordination failure.	

	4.2 Multiple Equilibria: A Diagrammatic Approach.	
	4.3 The Big-push theory	
<b>5.</b>	<b>Poverty And Income Distribution</b>	<b>5 hrs</b>
	5.1 Defining the poverty group	
	5.2 Measuring inequality	
	5.3 Growth and distribution	
	5.4 Policy options	
<b>6.</b>	<b>Population Growth</b>	<b>5 hrs</b>
	6.1 Population growth and the quality of life	
	6.2 Population growth-past, present and future	
	6.3 The demographic transition	
	6.4 Policy options	
<b>7.</b>	<b>Urbanization and rural-urban migration</b>	<b>5 hrs</b>
	7.1 The migration and urbanization dilemma	
	7.2 Urban Unemployment	
	7.3 Urbanization and development	
	7.4 Economic Theories of rural-urban migration	
<b>8.</b>	<b>Human capital</b>	<b>5 hrs</b>
	8.1 The role of education and health	
	8.2 Child labour	
	8.3 Disease burden.	
<b>9.</b>	<b>Agricultural Transformation and Rural Development</b>	<b>5 hrs</b>
	9.1 The imperative of agricultural progress and rural development	
	9.2 Structure of Agrarian System in the developing world.	
	9.3 The important role of women	
	9.4 Transformation from self-sufficient farming to commercial farming.	
	<b>Total</b>	<b>42 hrs</b>
<b>ASSESSMENTS:</b>	<b>Coursework</b>	<b>60%</b>
	Individual assignment	10%
	Test 1 (topic 1-4)	30%
	Group assignment	20%
	<b>Final examination (Topic 5-9)</b>	<b>40%</b>

REFERENCES:

1. Todaro M.P. "**Economic Development in the Third World**" 7<sup>th</sup> Edition, Addison, Wesley and Longman 2000.
2. World Bank " **Annual World Development Report** " (Annually)
3. Ahmad Mahdzan Ayob "**Perancangan dan Penilaian Projek Pembangunan** " DBP 1989
4. Mohammed B. Yusoff, dll. ed. (1990). **Trade and Development in Malaysia**. Jabatan Ekonomi, Universiti Pertanian Malaysia.
5. Mohammed Arief dan Hal Hill (1985). **Export Oriented Industrialization: The ASEAN Experience**, London: Allen and Unwin.

**COURSE NAME** : Development Economics II

**COURSE CODE** : ECN 4164

**CREDIT** : 3 (3+0)

**PRE-REQUISITE** : ECN 4163

**LEARNING OUTCOMES** : Student will be able to:

1. Apply economic and social indicators to measure the level of economic development.
2. Integrate development theories with policy choice of government in less developing countries.
3. Evaluate planning process used by less developing countries.

**SYNOPSIS** : This course includes the current development issues such as human resources and environment, as well as development problems originating from outside factors.

LECTURE TOPICS	
1.	Environment and development <ul style="list-style-type: none"><li>- Economy and environment</li><li>- Environmental issues and economy</li><li>- Rural development and environment</li><li>- Traditional economic models and environment</li><li>- Urban development and environment</li></ul>
2.	Planning, market and the role of state <ul style="list-style-type: none"><li>- development planning</li><li>- Planning process</li><li>- Crisis in planning</li><li>- Trend in reformation in government</li></ul>
3..	Trade theories and development experience <ul style="list-style-type: none"><li>- Fundamental issues in international trade and finance</li></ul>

	<ul style="list-style-type: none"> <li>- Prebisch-Singer Thesis and terms of trade</li> <li>- Criticism on traditional free trade theory</li> </ul>
4..	<p>Debate on trade policies: Export promotion vs. Import substitution</p> <ul style="list-style-type: none"> <li>- Export promotion vs import substitution</li> <li>- Trade integration South-South</li> <li>- Reformation of Trade policy in less developed countries</li> </ul>
5.	<p>Third countries debt and the contravertial of Macroeconomic stabilization</p> <ul style="list-style-type: none"> <li>- Balance of payment account</li> <li>- Financing and reducing payment deficits</li> <li>- Debt crisis 1980s</li> <li>- Macroeconomic instability and IMF stabilization policy</li> </ul>
6..	<p>Foreign financing</p> <ul style="list-style-type: none"> <li>- The flow of international financial sources</li> <li>- Foreign direct investment and multinational corporations</li> </ul>
7..	<p>Foreign Aid</p> <ul style="list-style-type: none"> <li>- Capital requirement</li> <li>- Two-gaps analysis</li> <li>- Cost and benefit of aid</li> </ul>
8.	<p>International labour mobility</p> <ul style="list-style-type: none"> <li>- Population problem in LDCs</li> <li>- Migration among LDCs</li> <li>- Migration from LDCs to DCs</li> <li>- masalah penduduk di NSM</li> <li>- problems of brain drain</li> </ul>
9.	<p>Globalization and development</p> <ul style="list-style-type: none"> <li>- Technology transfer</li> <li>- ICT usage</li> <li>- Positive impact of technology</li> <li>- Negative impacts of technology</li> </ul>

Individual assignment	10%	
Group assignment	25%	
Mid-term test	25%	
Final Examination		40%

## REFEREBCES:

1. Nafziger, E.W (2012). *Economics Development*. 5<sup>th</sup>. Edition. New York: Cambridge University Press.
2. Perkins, D.H. Redelet, S, Lindaver, D.L and Block, S.A. (2012). *Economics of Development*. 7<sup>th</sup>. Edition. New York: Morton, WW & Company Inc.
3. Todaro. M.P. (2012). *Economic Development*. 11<sup>th</sup>. Edition. New York: Addision Wesley.
4. Tylor. J.E. (2012). *Essentials of Development Economics*. Berkeley, Carlifornia: RebelText.
5. World Bank. (2012). *World Development Report 2012/13*. Washington DC: Oxford University Press.

**COURSE NAME** : PUBLIC FINANCE  
**COURSE CODE** : ECN4171  
**CREDIT** : 3(3+0)  
**TOTAL STUDENT LEARNING HOURS** : 120 hours  
**PREREQUISITE** : ECN3102 or ECN3105

**LERANING OUTCOMES** : Students will be able to :

1. clarify the government's role in the economy and market failures. (C2)
2. evaluate the effectiveness of government revenue and spending. (C5, EM)
3. relate the role of political and economic institutions in the public choice analysis. (C4)
4. produce reports of public finance issues in group. (C3,P3,A2,TS)

**SYNOPSIS** : The course covers the economic rationale of government activities, the issue of efficient allocation of public resources; a comparison of public and private goods, public choice and the political process, several methods of evaluating government expenditures and public financing.

## **LECTURE**

## **Contact Hours**

- |  |   |
|--|---|
| 1. Introduction  | 3 |
| <ul style="list-style-type: none"><li>- Individual, society and government</li><li>- The allocation of resources between government and private</li><li>- Mixed economy, market and politics</li><li>- Government expenditures</li><li>- Financing government expenditures</li></ul> |   |
| 2. Efficiency, market and government   | 6 |
| <ul style="list-style-type: none"><li>- The evaluation of resource utilization and efficiency criteria</li><li>- Markets, prices and efficiency conditions</li></ul>   |   |



	<ul style="list-style-type: none"> <li>- Efficiency and market failure</li> <li>- Equity vs efficiency</li> </ul>	
3.	Externalities and government policy	4
	<ul style="list-style-type: none"> <li>- Externalities</li> <li>- Internalizing externalities</li> <li>- Coase theorem</li> <li>- Property rights and pollution permit</li> <li>- Kaedah arahan dan kawalan</li> </ul>	
4.	The theory of public goods	5
	<ul style="list-style-type: none"> <li>- Characteristics of public and private goods</li> <li>- Provision of public and private goods: markets and government</li> <li>- The demand for pure public goods: markets and government</li> <li>- Efficient output of a pure public good</li> <li>- The Lindahl model</li> <li>- The free-rider problem</li> </ul>	
5.	Collective choice and politics	4
	<ul style="list-style-type: none"> <li>- The supply of public goods through political institutions</li> <li>- A model of political equilibrium under majority rule</li> <li>- Uniqueness and cycling of outcomes under majority rule</li> <li>- The political process</li> </ul>	
6.	The evaluation of government expenditures	6
	<ul style="list-style-type: none"> <li>- Criteria for evaluating alternative methods of government finance</li> <li>- The role of public budgeting</li> <li>- The budgeting methods</li> <li>- Comparison between financing private market and public market</li> <li>- Resources and consequences of government finance</li> <li>- The analysis of cost effectiveness and cost saving</li> <li>- Cost- benefit analysis</li> </ul>	
7.	Government subsidies and transfers	4
	<ul style="list-style-type: none"> <li>- Public policy perspective on poverty</li> <li>- The impact government assistance programs</li> </ul>	

8.	Social security and public policy	4
	<ul style="list-style-type: none"> <li>- The return to workers: how do pension benefits compare with the Employee Provident Fund (EPF)</li> <li>- The impact of social security on savings and work incentives</li> </ul>	
9.	Tax, prices, efficiency and income distribution	4
	<ul style="list-style-type: none"> <li>- Tax, government financing and income distribution</li> <li>- Lump sum tax</li> <li>- The impact of taxes on market prices and efficiency</li> </ul>	
10.	Taxation	6
	<ul style="list-style-type: none"> <li>- Income tax: theory and labor market analysis</li> <li>- Corporate taxes: issues and problem</li> <li>- Corporate tax effects : short run and long run effects</li> <li>- Goods and services tax (GST)</li> </ul>	
	<b>Total</b>	<b>42</b>

<b>ASSESMENTS</b>	:	Course Work	60%
		Final Examination	40%

**REFERENCES :**

1. Aronson, R.J. (2003). *Public Finance*. New York: Mc Graw Hill.
2. Hyman, D.J. (2013). *Public Finance, A Contemporary Application of Theory to Policy. (11<sup>th</sup> Edition)*. Ohio: Thomson.
3. Kaul. I and Conceisao, P. (2006). *The New Public Finance*, New York: Oxford University Press.
4. Musgrave, R.A and P.B. Musgrave (2004). *Public Finance in Theory and Practice*. New York: Mc Graw Hill.
5. Rosen, H.S. and Ted Gayer (2014). *Public Finance. (10<sup>th</sup> Edition)* Boston: Irwin.

**COURSE NAME** : APPLIED ECONOMETRICS

**COURSE CODE** : ECN4234

**CREDIT HOURS** : 4(3+1)

**TOTAL LEARNING  
HOURS** : 160

**PREREQUISITE** : ECN4231

**LEARNING  
OUTCOMES** : Students are able to:

1. Relate the hypothesis that can be tested to the econometric methods. (C4)
2. Apply appropriate econometric models for the analysis of economic data by using computer software. (P5, LL)
3. Summarize the findings of empirical studies through the analysis data. (C5, A4, CTPS)

**SYNOPSIS** : This course covers the econometric methods for the analysis of economic issues. The relationship between economic theories and estimation techniques, and interpretation of the empirical findings are emphasized.

**COURSE OUTLINE:**

**CONTACT HOURS**

- |   |   |
|---|---|
| 1. Non-linear regression models           | 4 |
| – Linear model estimation                 |   |
| – Non-linear model estimation             |   |
| – Methods for non-linear model estimation |   |
| 2. Qualitative regression models          | 8 |
| – Linear probability models               |   |
| – Logit model                             |   |
| – Glogit model                            |   |
| – Logit model for individual model        |   |
| – Probit model                            |   |

– Tobit model	
– Poisson regression model	
3. Panel data analysis	5
– Pooled OLS regression	
– Fixed effects model	
– Least square dummy variable (LSDV)	
– Grouped fixed effects model	
4. Panel data analysis: random and fixed	4
– Random effects model	
– Comparison of the fixed and random effects estimator	
– Hausman test	
5. Autoregressive models and distributed-lag models	6
– Distributed-lag models	
– Koyck method	
– Autoregressive model	
– Instrumental variable method	
– Causality test	
6. Simultaneous equations methods and identification problem	2
– Rules for identification	
– simultaneity and exogeneity test	
5. Simultaneous equations methods	5
– Methods for estimation	
– Indirect Least Squares Method (ILS)	
– Two-Stage Least Square (2SLS)	
6. Stationarity and order of integration	4
– Stationary and non-stationary variable	
– False regression phenomenon	
– Stationarity test	
– Order of integration	
7. Cointegration and long-term relationships	4
– Cointegration test	
– Engle-Granger cointegration test	
– Error Correction Model (ECM)	
<b>Total</b>	<b>42</b>

			<b><u>CONTACT HOURS</u></b>
<b>PRACTICAL</b>	:	1. Estimation of non-linear regression model	3
		2. Estimation of qualitative regression model	3
		3. Estimation of panel data	6
		4. Estimation of random effects model	3
		5. Estimation of autoregressive model and distributed-lag model	6
		6. Estimation of simultaneous equation and identification problems	6
		7. Interpretation of model findings and simultaneous equation	6
		8. Testing for stationarity	6
		9. Testing for cointegration and long run relationships	3
		<b>Total</b>	<b>42</b>
<b>ASSESSMENT</b>	:	Coursework	60%
		Final Exams	40%
<b>REFERENCES</b>	:	1. Ashley, R. A. (2012). <i>Fundamentals of Applied Econometrics</i> . New York City: John Wiley & Sons.	
		2. Gujarati, D. N. & Porter, D. C. (2012). <i>Basic Econometrics</i> . Boston: McGraw Hill.	
		3. Hill, R. C., Griffiths, W. E., & Lim, G. C. (2012). <i>Principles of Econometrics</i> . (4 <sup>th</sup> Edition). Hoboken: John Wiley & Sons.	
		4. Verbeek, M. (2012). <i>A Guide to Modern Econometrics</i> . (4 <sup>th</sup> Edition). Chichester: John Wiley & Sons.	
		5. Wooldridge, J. M. (2013). <i>Introductory Econometrics: A Modern Approach</i> . (5 <sup>th</sup> Edition). Mason: South-Western Cengage Learning.	

**COURSE NAME** : INTRODUCTION TO ECONOMETRICS

**COURSE CODE** : ECN4231

**CREDIT** : 4 (3+1)

**TOTAL STUDENT  
LEARNING HOURS** :

**PREREQUISITE** : ECN3122

**LEARNING  
OUTCOMES** : Students will be able to:

1. explain econometric concepts and theories from perspectives of specification, estimation and model validation. (C2, P1, A3, CS)
2. synthesize information with econometric model (C5, P4, A3)
3. identify necessary steps in econometric model building. (C5, P3)
4. analyze economic problems using econometrics and apply econometric software to process datasets. (C4, P6, CT)

**SYNOPSIS:** This course covers econometric theory and statistical techniques to relate various economic variables. Methods in estimating economic models in solving economic problems are discussed.

**COURSE  
OUTLINE**

**Contact  
Hours**

**LECTURE**

- |    |  |   |
|----|--|---|
| 1. | Introduction to Econometric Package - EViews <ul style="list-style-type: none"><li>- Data Input</li><li>- Data transformation</li><li>- Graph</li><li>- Descriptive Statistics</li><li>- Correlation</li></ul> | 6 |
| 2. | Simple Regression Model  | 6 |

	<ul style="list-style-type: none"> <li>- Simple regression</li> <li>- Estimation using OLS</li> <li>- Statistical aspects of the simple regression</li> <li>- Interpretation of regression results</li> <li>- <math>R^2</math> and T-tests</li> <li>- <i>P-value</i></li> </ul>	
3.	Multiple Regression Analysis <ul style="list-style-type: none"> <li>- Multiple regression model</li> <li>- Estimation using OLS</li> <li>- Statistical aspects of multiple regression</li> <li>- Interpretation of regression results</li> <li>- <math>R^2</math> and F-Test</li> </ul>	6
4.	Multicollinearity Problem and Tests <ul style="list-style-type: none"> <li>- Multiple regression model</li> <li>- Consequences of Multicollinearity</li> <li>- Identification and tests of Multicollinearity</li> <li>- Remedial measures</li> </ul>	4
5.	Heteroskedasticity Problem and Tests <ul style="list-style-type: none"> <li>- Regression model (cross-sectional data)</li> <li>- Consequences of Heteroskedasticity</li> <li>- Identification and tests of heteroskedasticity</li> <li>- Remedial measures</li> </ul>	5
6.	Autocorrelation Problem and Tests <ul style="list-style-type: none"> <li>- Regression model (time series data)</li> <li>- Consequences of Autocorrelation</li> <li>- Identification and tests of autocorrelation</li> <li>- Remedial measures</li> </ul>	5
7.	Lagged Variables <ul style="list-style-type: none"> <li>- Model with lagged variables</li> <li>- Estimation and Interpretation of results</li> </ul>	3
8.	Dummy Independent Variables <ul style="list-style-type: none"> <li>- Data with dummy variable</li> <li>- Model with dummy variables</li> <li>- Estimation and Interpretation of results</li> </ul>	4
9.	Simultaneous Equations <ul style="list-style-type: none"> <li>- Simultaneous equation model</li> <li>- Estimation and Interpretation of results</li> </ul>	3
	<b>Total</b>	<b>42</b>

LAB WORK /TUTORIAL	TOPIC	Contact Hours
1.	Introduction to Econometric Package - EViews	6
2.	Simple Regression Model	6
3.	Multiple Regression Analysis	6
4.	Heteroskedasticity Problem and Tests	5
5.	Autocorrelation Problem and Tests	5
6.	Multicollinearity Problem and Tests	4
7.	Lagged Variables	3
8.	Dummy Independent Variables	4
9.	Simultaneous Equations	3
	<b>Total</b>	<b>42</b>

<b>ASSESSMENT:</b>	Coursework	60%
	Final examination	40%

- RUJUKAN** :
- Greene, W. H. (2012). *Econometric Analysis. (7<sup>th</sup> Edition)*. London: Prentice Hall.
  - Gujarati, D. N. & Porter, D. C. (2012). *Basic Econometrics. (5<sup>th</sup> Edition)*. New York City: McGraw-Hill.
  - Hill, R. C., Griffiths, W. E. & Lim, G. C. (2012). *Principles of Econometrics. (4<sup>th</sup> Edition)*. New York City: John Wiley & Sons.
  - Maddala. G. S. & Lahiri, K. (2010). *Introduction to Econometrics. (4<sup>th</sup> Edition)*. New York City: John Wiley & Sons.
  - Wooldridge, J. M. (2013). *Introductory Econometrics A Modern Approach. (5<sup>th</sup> Edition)*. London: Thomson South Western.



**NAME OF COURSE** : Project Evaluation

**COURSE CODE** : ECN4261

**CREDIT** : 3(3+0)

**TOTAL CREDIT HOUR** : 120

**PRE-CONDITION** : ECN3013

**LEARNING OUTCOME** :

- Student will:
  1. Assess the methods of planning and managing Project development. (C5, LL)
  2. Identify the important concept and cycle in Project planning. (C4, A4)
  3. Apply the cost benefit analysis for project planning and evaluation. (CTPS)

**SYNOPSIS** : This course includes the theories and techniques of planning, relationship between planning at micro/project and macro/sector levels. Project evaluation techniques; traditional and discounting methods and issues in project planning and evaluation are discussed

<b>COURSE OUTLINE</b>	<b>:</b>	<b><u>CREDIT HOURS</u></b>
<b>LECTURE</b>	<b>:</b>	
1.	Introduction to the project <ul style="list-style-type: none"> <li>– Economic growth, planning in macro stage/sector and micro/project</li> <li>– Project cycle</li> <li>– Evaluation in Project planning</li> <li>– Election of Project and location</li> </ul>	5
2.	Demand projection of project offer on material and services. <ul style="list-style-type: none"> <li>- Projection on market demand</li> <li>– Consumer and market analysis</li> </ul>	4
3.	Project design <ul style="list-style-type: none"> <li>– Combination determination of production technology</li> <li>– Input material and output process requirement</li> </ul>	4
4.	Comparison between financial and economic analysis <ul style="list-style-type: none"> <li>- Financial analysis characteristic</li> <li>– Economic analysis characteristic</li> </ul>	4
5.	Cost benefits analysis <ul style="list-style-type: none"> <li>– The basic welfare of cost benefits analysis</li> <li>– Nine steps of cost benefits analysis</li> <li>– The methods discounting and project disputes: net present value (NPV), cost benefit ratio (B/C ratio), Internat rate of return (IRR)</li> </ul>	5
6.	Determine cost and benefit <ul style="list-style-type: none"> <li>– Criteria "with project" and "without project"</li> <li>– Types of cost and benefit project</li> </ul>	4
7.	Analysis on cost and benefit project with no market value <ul style="list-style-type: none"> <li>– Basic economic valuation</li> <li>– Concept of producer and consumer surplus</li> </ul>	4
8.	Economic valuation methods <ul style="list-style-type: none"> <li>– Rasidual method in economic rent assessment</li> </ul>	5

	– Productivity change method	
	– Travel cost method	
	– Contingent valuation method	
9.	Project evaluation method	3
	– Integration of Project impact valuation in cost benefit analysis	
10.	Issues in the use of cost benefit analysis	4
	– Risk and uncertainty	
	– External effects, Environment impact assessment (EIA) and social impact in Project analysis	
	<b>Total</b>	<b>42</b>

<b>EVALUATION</b>	:	Assignment	60%
		Final Examination	40%

<b>REFERENCES</b>	:	1.	Barbier, E. B. & Markandya, A. (2013). <i>A New Blueprint for a Green Economy</i> . London. Earthscan.
		2.	Boardman, A., Greenberg, D., Vining A. & Weimer D. (2010). <i>Cost-Benefit Analysis (4<sup>th</sup> Edition)</i> . New York. The Pearson Series in Economics.
		3.	Fujiwara, D. & Campbell, R. (2011) . <i>Valuation Techniques for Social Cost-Benefit Analysis: Stated Preference, Revealed Preference and Subjective Well-Being Approaches</i> . London: Department of Works and Pension.
		4.	Quah, E. & Toh, R. (2011). <i>Cost-Benefit Analysis: Cases and Materials</i> . New York. Routledge.
		5.	Stermole, F. J. & Stermole, J. M. (2014). <i>Economic Evaluation and Investment Decision Methods. (14<sup>th</sup> Edition)</i> . New York. Investment Evaluations Corporation.

<b>COURSE NAME</b>	:	NATURAL RESOURCE AND ENVIRONMENTAL ECONOMICS
<b>COURSE CODE</b>	:	ECN4314
<b>CREDITS</b>	:	3(3+0)
<b>TOTAL STUDENT LEARNING HOURS</b>	:	120
<b>PREREQUISITE</b>	:	ECN3015
<b>LEARNING OUTCOMES</b>	:	<p>Students are able to:</p> <ol style="list-style-type: none"> <li>1. assess the usefulness of economic tools regarding efficiency, effectiveness, equality, flexibility and acceptance of the community to address local, regional and world environmental problems. (C5, EM)</li> <li>2. explain the theory of resource allocation in modern economics. (C2, A4)</li> <li>3. relate the problem of resource allocation with theory and practice. (CTPS)</li> </ol>
<b>SYNOPSIS</b>	:	<p><i>This course covers the basic theory of depletion, welfare economics and the problems associated with the failure of the market system to allocate resources efficiently. Economic efficiency issues are emphasised in analysing the methods and in comparing strategies in environmental quality control.</i></p>

**COURSE  
OUTLINE****CONTACT  
HOURS**

<b>LECTURE</b>	:	1. Introduction	4
		– Economy and environment	
		– Concept of ecosystem	
		– Basic concepts in resource economy and environment	
		– Environmental debate	
		2. Taxonomy and classification of natural resources	4
		– Balanced growth and use of natural resources	
		– Nature pollution	
		– Control of pollution of nature	
		3. Cost-benefit analysis	3
		– Assessment of benefits to the environment	
		– Economic assessment methods	
		– Cost assessment of the environment	
		4. The resource allocation cannot be renewed and the resources can be renewed	4
		– Optimum excavation of resources cannot be renewed	
		– Optimal production of renewable resources	
		5. The welfare economy	4
		– Market failure	
		– Externalities	
		6. Environmental quality economy	5
		– Pollution and quality of life	
		– The basic model for pollution control	
		– Equi marginal principle	
		– Sustainable development through price mechanics	
		– National environmental policy	
		7. Contaminant control economy	6
		– Pollution as an externality problem	
		– Pollution control methods	
		– Economic instruments	
		– Command and control	

– Basic air pollution	
8. International environmental issues	5
– Economic development and environment	
– Population growth and the environment	
– Reduction of ozone	
– Climate change	
– Environmental management policy	
9. Institutional and cooperation issues	5
– Waste and cleaning dilemma	
– Political energy consumption	
– Water resource management	
– The use of toxins in agriculture	
– The problem of air quality	
– Powerbase and the water source base	
10. Environmental management of Malaysia	2
– National environmental policy	
– Environmental impact assessment	
– Role of public and private bodies	
<b>Total</b>	<b>42</b>

**ASSESSMENT :**

Course work	60%
Final Exam	40%

- REFERENCES :**
1. Anderson, D. A. (2010). *Environmental Economics and Natural Resource Management*. (3<sup>rd</sup> Edition). Mason: Thomson South-Western.
  2. Perman, R., Ma, Y., Common, M., Maddison, D. & Gilvray, J. M. (2011). *Natural Resource and Environmental Economics*. (4<sup>th</sup> Edition). Harlow: Pearson.
  3. Scott J. Callan & Janet M. Thomas. (2013). *Environmental Economics & Management: Theory, Policy and Applications*. (6<sup>th</sup> Edition). Mason: Thomson /South-Western.
  4. Tietenberg, T. (2014). *Environmental and Natural Resource Economics*. (9<sup>th</sup> Edition). Boston: Pearson and Addison- Wesley Publishers.
  5. Ward, F.A. (2006). *Environmental and Natural Resource Economics*. Boston: Pearson.

**COURSE NAME:** TOURISM AND RECREATION ECONOMICS  
(*Ekonomi Pelancongan Dan Rekreasi*)

**COURSE CODE:** ECN 4135

**CREDIT :** 3 (3+0)

**TOTAL STUDENT :  
LEARNING HOURS** 120 hours per semester

**PREREQUISITE:** ECN 3100

**LEARNING:  
OUTCOMES** Students will be able to:

1. identify recreational resources and tourism for planning and management purposes. (C4)
2. evaluate public goods related to recreational resources and tourism. (C5, P2, CTPS)
3. identify business opportunities in the recreational resources and tourism industry. (A4, KK)

**SYNOPSIS:** This course covers the concept and effects on recreation and tourism economics. The source recreation and tourism are discussed. The application of economic evaluation methods in determining the source value of recreation and tourism is emphasized.

*(Kursus ini merangkumi konsep dan kesan ekonomi rekreasi dan pelancongan. Sumber rekreasi dan pelancongan dibincangkan. Aplikasi kaedah penilaian ekonomi dalam menentukan nilai sumber rekreasi dan pelancongan ditekankan.)*

**LECTURE  
CONTENT**

**Contact  
Hours**

1. Recreational
- Recreational, Hospitality and Tourism concept
  - Impact of Tourism and Recreational development

3

2. Impact of Tourism and Recreational development	3
- Impact of TR on individual and Societal development	
- Impact of TR on the Nations economy	
- The results of TR development	
3. Tourism and Recreational Economy	6
- Recreation as satisfaction/experience/product	
- The imperfect market of Tourism and Recreation	
- Recreation as a public good	
4. The demand for tourism and recreation	6
- The demand and supply for tourism and outdoor recreation	
- The evaluation of demand and supply for tourism and outdoor recreation	
5. The supply of tourism and recreation	6
- The supply of tourism and recreation services and facilities	
- The evaluation of supply in tourism and recreation	
- Tourism and recreation services and facilities inventory	
6. Demand And Estimation Techniques	6
- Econometric techniques	
- Non WTP based techniques	
- WTP based techniques	
7. Travel cost method	3
- Introduction	
- Application in TR Resource Evaluation	
8 Contingency Valuation Method	3
- Introduction	
- Application in TR Resource Evaluation	
9. Hedonic price	3
- Properties of hedonic price	
- Application in TR Resource Evaluation	
10. Optimal use in TR	3
- supply increment and TR resources	
- TR resource diversification	
<b>Total</b>	<b>42</b>



<b>ASSESSMENT</b>	:	Coursework	60%
		Mid-term Exam = 30% (Topics 1-5)	
		Assignment = 30%	
		Final Exam (Topics 6-10)	40%

## **REFERENCES:**

1. Tribe J. (2004). *The Economics of Recreation, Leisure and Tourism*. Third Edition. New York: Butterworth-Heinemann.
2. Cook, R. A., Yale L. J. and Marqua, J. J. (2010). *Tourism: The Business of Travel*. Fourth Edition. New Jersey: Pearson Prentice Hall.
3. Bateman I. J., and Willis, K. G (2001). *Valuing Environmental Preferences: Theory and Practice of the Contingent Valuation Method in the US, EU and Developing Countries*. New York: Oxford University Press.
4. Ewert, A.W, DC Baker, G.C Bissix. (2004). *Integrated Resource and Environmental Management: The Human Dimension*. Newbury: CABI Publishing.
5. Hanley N, Douglass S. W. and Wright R. E. (2003). *The New Economics of Outdoor Recreation*. New York : Edward Elgar Publishing Ltd.
6. Robert W. M, Charles R.G and Ritchie B. (2005). *Tourism: Principles, Practices and Philosophies*. Tenth Edition, New York: John Wiley & Sons, Inc.

<b>COURSE NAME:</b>	ECONOMICS OF STRATEGY												
<b>COURSE CODE:</b>	ECN 4154												
<b>CREDIT:</b>	3 (3+0)												
<b>TOTAL STUDENT:</b>	120 hours per semester												
<b>LEARNING HOURS</b>													
<b>PREREQUISITE:</b>	ECN 3103												
<b>LEARNING:</b>	Students will be able to:												
<b>OUTCOME</b>	<ol style="list-style-type: none"> <li>1. identify economic methods for solving problems of business management. (C4)</li> <li>2. elaborate the economic approach in making decisions on business strategy. (A4, KK)</li> <li>3. relate economic approach with the strategy of the firm. (C5, CTPS)</li> </ol>												
<b>SYNOPSIS:</b>	This course covers the economic theory that becomes the foundation for strategic business decision. The relationship of economic theory to business strategy is emphasized.												
<b>LECTURER:</b>	AZMAN HASSAN Room A102/112 email: azmanhs@upm.edu.my												
<b>LECTURE:</b>	MONDAY 10:00-12:00AM WEDNESDAY 10:00-11:00AM												
<b>CONSULTATION:</b>	MONDAY 3:00-5:00PM WEDNESDAY 3:00-5:00PM FRIDAY 10:00-12:00NOON or by appointment												
<b>TEXTBOOK:</b>	Baye, M.R., & Prince, J.T. (2017) <i>Managerial Economics and Business Strategy</i> , 9 <sup>th</sup> Ed., McGraw-Hill												
<b>ASSESSMENT:</b>	<table> <tr> <td>Assignment</td><td>10%</td></tr> <tr> <td>Test 1</td><td>15%</td></tr> <tr> <td>Test 2</td><td>15%</td></tr> <tr> <td>Paper &amp; Presentation</td><td>20%</td></tr> <tr> <td>Final Exam</td><td><u>40%</u></td></tr> <tr> <td>Total</td><td><u>100%</u></td></tr> </table>	Assignment	10%	Test 1	15%	Test 2	15%	Paper & Presentation	20%	Final Exam	<u>40%</u>	Total	<u>100%</u>
Assignment	10%												
Test 1	15%												
Test 2	15%												
Paper & Presentation	20%												
Final Exam	<u>40%</u>												
Total	<u>100%</u>												

## **CONTENT**

### **I. Chapter 1. Fundamentals**

#### **A. Introduction.**

- 1. Economics*
- 2. Managerial Decisions*

#### **B. Components of Effective Decision Making**

- 1. Identify Goals and Constraints:*
- 2. Recognize the Nature and Importance of Profits:*
- 3. Understanding Incentives.*
- 4. Understand Markets*
- 5. Recognize the Time Value of Money*
- 6. Appreciate Marginal Analysis*

### **II. Chapter 2. Market Forces:**

#### **A. The Demand Side.**

- 1. Demand Shifters*
- 2. Demand Function*
- 3. Consumer Surplus*

#### **B. The Supply Side.**

- 1. Supply Shifters*
- 2. Supply Function*
- 3. Producer Surplus*

#### **C. Market Equilibrium and Price Restriction.**

- 1. Price floors*
- 2. Price Ceilings*

#### **D. Comparative Statics.**

- 1. Supply or Demand Shifts*
- 2. Supply and Demand Shifts*

### **III. Chapter 3. Quantitative Demand Analysis**

#### **A. Elasticity of Demand**

- 1. Own Price Elasticity*
- 2. Cross Price Elasticities*
- 3. Income Elasticities*
- 4. Other Elasticities.*

#### **B. Elasticities and demand functions**

- 1. Linear Demand functions.*
- 2. Logarithmic Demand.*

#### **D. Estimating Demand: Regression Analysis.**

- 1. Interpreting the significance of individual parameter estimates*
- 2. Nonlinear and Multiple Regressions*

## **Week 5: Test 1**

#### **IV. Chapter 5. The Production Process and Costs**

##### **A. The Production Function**

1. *Short Run Production vs Long Run Production*
2. *Returns to scale*

##### **B. Costs Functions.**

1. *Short run and Long-Run Costs*
2. *Economies of Scale*

##### **C. Multiple Output Cost functions**

1. *Economies of Scope*
2. *Cost complementarities*

#### **V. Chapter 6. Organization of Firm**

##### **A. Optimal Methods of Obtaining Inputs**

1. *Options*
2. *Factors affecting choice of the optimal method*

##### **C. Managerial Compensation and the Principal-Agent Problem.**

1. *Owner Manager Principal-Agent Problem.*
2. *Forces that Discipline Managers.*
3. *Manager Worker Principal-Agent Problem.*

#### **Week 10 Test 2**

#### **VI. Chapter 7. Nature of Industry**

##### **A. Structure-Conduct-Performance (SCP)**

1. *Market Structure*
2. *Conduct*
3. *Performance*

##### **B. SCP Paradigm**

1. *Casual View*
2. *Feedback Critique*
3. *Relation to Five-Forces Framework*

#### **VII. Chapter 8. Managing in Competitive, Monopolistic and Monopolistically Competitive Markets.**

##### **A. Perfect Competition.**

1. *Assumptions*
2. *Optimal short run decisions*
3. *Long run decisions.*

##### **B. Monopoly**

1. *Assumptions, Sources of monopoly power.*
2. *Graphical and Analytical Characterization.*
3. *Social Costs of Monopoly*

##### **C. Monopolistic Competition**

1. *Assumptions*
2. *Long run Equilibrium*
3. *Implications of Product Differentiation.*

## **VIII. Chapter 11. Pricing Strategies.**

### **A. Basic Pricing Strategies for Firms with Market Power**

1. *Optimal Pricing for a monopolist or monopolistic competitor*

a. *Basic Case*

b. *Imperfect Demand Information*

### **B. Strategies that yield higher profits**

1. *Price Discrimination*

2. *Two part pricing.*

3. *Commodity Bundling*

4. *Peak Load Pricing*

- REFERENCES** :
1. Baye, M. R., & Prince, J. T. (2017). *Managerial Economics and Business Strategy. (9<sup>th</sup> Edition)*. Berkshire: McGraw-Hill Education.
  2. Besanko, D., Dranove, D., Shanley, M. & Schaefer, S. (2013). *Economics of Strategy. (6<sup>th</sup> Edition)*. New York: John Wiley and Sons.
  3. Froeb, L. M., McCann, B. T., & Ward, M. R. (2013). *Managerial Economics, A Problem-Solving Approach. (3<sup>rd</sup> Edition)*. New York: Cengage Learning.
  4. Keat, P. & Erfle, S. (2014). *Managerial Economics. (7<sup>th</sup> Edition)*. New York: Pearson Prentice Hall.
  5. Perloff, J. M., & Brander, J. A. (2014). *Managerial Economics and Strategy*. New York: Pearson Prentice Hall.

COURSE NAME: **ECONOMIC DEVELOPMENT I**

COURSE CODE: **ECN 4163**

CREDIT HOURS: 3 (3+0)

PREREQUISITES: ECN 3103 or ECN 3105

OBJECTIVES : After attending the course, students will be able to:

1. understand the concept, theory, policy, strategy and the purpose of economic development and planning.
2. use the economics and social indicators in measuring economics development.
3. analyse sources and problems in economics development.

SYNOPSIS : This course includes the development concepts, historical growth findings of developed countries, internal development problems such as poverty, inequitable distribution of wealth and income, low productivity, population growth ,migration.

#### COURSE CONTENT

LECTURE:	<b>1. Development Studies</b>	3 hrs
	Traditional economic, political economic and development economic The concept of development Measurement of development from traditional economic point of view. New perspective of development. Objective and value of development	
	<b>2. Structures And Characteristics Of The Developing Economies</b>	3 hrs
	2.1 Defining the Developing World. 2.2 Structure of the developing nations 2.3 Characteristics of the developing nations	
	<b>3. Classical Theories of Development</b>	6 hrs
	Linear-Stages Theories Structural-Change Models The International-Dependence Revolution The Neoclassical Counterrevolution The New Growth Theory	
	<b>4. Contemporary models of development</b>	5 hrs
	4.1 Underdevelopment as a Coordination failure.	

	4.2 Multiple Equilibria: A Diagrammatic Approach.	
	4.3 The Big-push theory	
<b>5.</b>	<b>Poverty And Income Distribution</b>	<b>5 hrs</b>
	5.1 Defining the poverty group	
	5.2 Measuring inequality	
	5.3 Growth and distribution	
	5.4 Policy options	
<b>6.</b>	<b>Population Growth</b>	<b>5 hrs</b>
	6.1 Population growth and the quality of life	
	6.2 Population growth-past, present and future	
	6.3 The demographic transition	
	6.4 Policy options	
<b>7.</b>	<b>Urbanization and rural-urban migration</b>	<b>5 hrs</b>
	7.1 The migration and urbanization dilemma	
	7.2 Urban Unemployment	
	7.3 Urbanization and development	
	7.4 Economic Theories of rural-urban migration	
<b>8.</b>	<b>Human capital</b>	<b>5 hrs</b>
	8.1 The role of education and health	
	8.2 Child labour	
	8.3 Disease burden.	
<b>9.</b>	<b>Agricultural Transformation and Rural Development</b>	<b>5 hrs</b>
	9.1 The imperative of agricultural progress and rural development	
	9.2 Structure of Agrarian System in the developing world.	
	9.3 The important role of women	
	9.4 Transformation from self-sufficient farming to commercial farming.	
	<b>Total</b>	<b>42 hrs</b>
<b>ASSESSMENTS:</b>	<b>Coursework</b>	<b>60%</b>
	Individual assignment	10%
	Test 1 (topic 1-4)	30%
	Group assignment	20%
	<b>Final examination (Topic 5-9)</b>	<b>40%</b>

REFERENCES:

1. Todaro M.P. "**Economic Development in the Third World**" 7<sup>th</sup> Edition, Addison, Wesley and Longman 2000.
2. World Bank " **Annual World Development Report** " (Annually)
3. Ahmad Mahdzan Ayob "**Perancangan dan Penilaian Projek Pembangunan** " DBP 1989
4. Mohammed B. Yusoff, dll. ed. (1990). **Trade and Development in Malaysia**. Jabatan Ekonomi, Universiti Pertanian Malaysia.
5. Mohammed Arief dan Hal Hill (1985). **Export Oriented Industrialization: The ASEAN Experience**, London: Allen and Unwin.



## COURSE OUTLINE

**COURSE TITLE** : Labour Economics

**COURSE CODE** : ECN4153

**CREDIT VALUE** : 3 (3+0)

**TOTAL HOURS  
OF STUDENT  
LEARNING** : 120

**PREREQUISITE** : ECN3003

**OUTCOME** : Students will be able to:

1. Explain labour market operations. (C2, P2, A3).
2. Apply government policies related to the labour market. (C3, P2, A2, Em).
3. Analyze current issues between labour and employer. (C4, P2, A1, Ct).
4. Prepare tasks in group. (C3, Ts)

**SYNOPSIS** : This course covers the economic concepts of labour and labour market, methods of estimating labour demand and supply, the role of labour union as well as the role of government in dealing with labour problems.

### CONTENTS

		Face to Face Hours
<b>LECTURE</b>	1. Introduction	
:	<ul style="list-style-type: none"> <li>- The Actors in The Labour Market</li> <li>- Why Do We Need A Theory?</li> </ul>	3
	2. Labour Supply	
	<ul style="list-style-type: none"> <li>- Measuring Labour Force</li> <li>- Work-Leisure Decision</li> <li>- Elasticity of Labour Supply</li> <li>- Labour Supply Of Women</li> </ul>	3
	3. Labour Demand	
	<ul style="list-style-type: none"> <li>- The Production Function</li> <li>- The Employment Decision in Short-Run and Long-Run</li> <li>- The Elasticity of Substitution</li> <li>- Policy Application</li> </ul>	3
	4. Labour Market Equilibrium	3

- Equilibrium in A Single Competitive Labour Market
- Competitive Equilibrium Across Labour Markets
- The Economic Benefits from Immigration
- Non-competitive Labour Markets
- Monosopny And Monopoly

#### 5. Labour Market Equilibrium

- Equilibrium in A Single Competitive Labour Market
- Competitive Equilibrium Across Labour Markets 3
- The Economic Benefits from Immigration
- Non-competitive Labour Markets
- Monosopny And Monopoly

#### 6. Compensating Wage Differentials

- The Market for Risky Jobs 3
- The Hedonic Wage Function
- Compensating Differentials And Job Amenities

#### 7. Human Capital

- Education in The Labour Market
- Present Value
- The Schooling Model
- Education and Earnings 3
- Estimating The Rate of Return of Schooling
- Post-school Human Capital Investments
- On-The-Job Training
- On-The-Job Training And The Age-Earnings Profile

#### 8. Human Capital

- Education in The Labour Market
- Present Value
- The Schooling Model
- Education and Earnings 3
- Estimating The Rate of Return of Schooling
- Post-school Human Capital Investments
- On-The-Job Training
- On-The-Job Training and The Age-Earnings Profile

#### 9. The Wage Structure

- The Earnings Distribution 3
- Measuring Inequality
- The Wage Structure
- Inequality Across Generations

#### 10. Labour Mobility 3

- Geographic Migration as A Human Capital Investment
- Family Migration
- Immigrant Performance in Us Labour Market
- The Decision to Immigrate
- Job Turnover and Job Match
- Specific Training, The Age Earnings Profile And Job Turnover

#### 11. Labour Market Discrimination

- Race and Gender in The Labour Market
- The Discrimination Coefficient 3
- Types of Discrimination
- Measuring Discrimination
- Discrimination Against Other Groups

#### 12. Labour Market Discrimination

- Race and Gender in The Labour Market
- The Discrimination Coefficient 3
- Types of Discrimination
- Measuring Discrimination
- Discrimination Against Other Groups

#### 13. Labour Market Discrimination

- Race and Gender in The Labour Market
- The Discrimination Coefficient 3
- Types of Discrimination
- Measuring Discrimination
- Discrimination Against Other Group

#### 14. Labour Union

- Determinants of Union Membership 3
- Monopoly Unions
- Efficient Bargaining
- Wage And Nonwage Effects Of Union

**TOTAL 42**

**ASSESSMENT** : Coursework : 60%  
Final Examination : 40%

**REFERENCES** : Ehrenberg, R. G., & Smith, R. S. (2016). *Modern labor economics: Theory and public policy*. Routledge.

**COURSE NAME** : PUBLIC FINANCE  
**COURSE CODE** : ECN4171  
**CREDIT** : 3(3+0)  
**TOTAL STUDENT LEARNING HOURS** : 120 hours  
**PREREQUISITE** : ECN3102 or ECN3105

**LERANING OUTCOMES** : Students will be able to :

1. clarify the government's role in the economy and market failures. (C2)
2. evaluate the effectiveness of government revenue and spending. (C5, EM)
3. relate the role of political and economic institutions in the public choice analysis. (C4)
4. produce reports of public finance issues in group. (C3,P3,A2,TS)

**SYNOPSIS** : The course covers the economic rationale of government activities, the issue of efficient allocation of public resources; a comparison of public and private goods, public choice and the political process, several methods of evaluating government expenditures and public financing.

## **LECTURE**

## **Contact Hours**

1. Introduction  
  - Individual, society and government
  - The allocation of resources between government and private
  - Mixed economy, market and politics
  - Government expenditures
  - Financing government expenditures
2. Efficiency, market and government  
  - The evaluation of resource utilization and efficiency criteria
  - Markets, prices and efficiency conditions

3

6

- Efficiency and market failure	
- Equity vs efficiency	
3. Externalities and government policy	4
- Externalities	
- Internalizing externalities	
- Coase theorem	
- Property rights and pollution permit	
- Kaedah arahan dan kawalan	
4. The theory of public goods	5
- Characteristics of public and private goods	
- Provision of public and private goods: markets and government	
- The demand for pure public goods: markets and government	
- Efficient output of a pure public good	
- The Lindahl model	
- The free-rider problem	
5. Collective choice and politics	4
- The supply of public goods through political institutions	
- A model of political equilibrium under majority rule	
- Uniqueness and cycling of outcomes under majority rule	
- The political process	
6. The evaluation of government expenditures	6
- Criteria for evaluating alternative methods of government finance	
- The role of public budgeting	
- The budgeting methods	
- Comparison between financing private market and public market	
- Resources and consequences of government finance	
- The analysis of cost effectiveness and cost saving	
- Cost- benefit analysis	
7. Government subsidies and transfers	4
- Public policy perspective on poverty	
- The impact government assistance programs	

8.	Social security and public policy	4
	<ul style="list-style-type: none"> <li>- The return to workers: how do pension benefits compare with the Employee Provident Fund (EPF)</li> <li>- The impact of social security on savings and work incentives</li> </ul>	
9.	Tax, prices, efficiency and income distribution	4
	<ul style="list-style-type: none"> <li>- Tax, government financing and income distribution</li> <li>- Lump sum tax</li> <li>- The impact of taxes on market prices and efficiency</li> </ul>	
10.	Taxation	6
	<ul style="list-style-type: none"> <li>- Income tax: theory and labor market analysis</li> <li>- Corporate taxes: issues and problem</li> <li>- Corporate tax effects : short run and long run effects</li> <li>- Goods and services tax (GST)</li> </ul>	
	<b>Total</b>	<b>42</b>

<b>ASSESMENTS</b>	:	Course Work	60%
		Final Examination	40%

**REFERENCES :**

1. Aronson, R.J. (2003). *Public Finance*. New York: Mc Graw Hill.
2. Hyman, D.J. (2013). *Public Finance, A Contemporary Application of Theory to Policy. (11<sup>th</sup> Edition)*. Ohio: Thomson.
3. Kaul. I and Conceisao, P. (2006). *The New Public Finance*, New York: Oxford University Press.
4. Musgrave, R.A and P.B. Musgrave (2004). *Public Finance in Theory and Practice*. New York: Mc Graw Hill.
5. Rosen, H.S. and Ted Gayer (2014). *Public Finance. (10<sup>th</sup> Edition)* Boston: Irwin.

**NAMA KURSUS** : **PERDAGANGAN ANTARABANGSA**  
(*International Trade*)

**KOD KURSUS** : ECN4812

**KREDIT** : 3(3+0)

**JUMLAH JAM  
PEMBELAJARAN  
PELAJAR** : 120

**PRASYARAT** : ECN3015 atau ECN4811

**HASIL  
PEMBELAJARAN** : Pelajar dapat :

1. menerangkan teori dan konsep utama dal perdagangan antarabangsa. (A3, LL)
2. Menghuraikan dasar yang berkaitan dengan halan perdagangan dan perjanjian perdagangan bebas. (C5)
3. menghubungkan dasar perdagangan antarabangsa dengan keadaan ketidakseimbang dalam ekonomi. (C3, CTPS)

**SINOPSIS:** Kursus ini merangkumi teori dan dasar perdagangan antarabangsa. Penekanan diberikan terhadap teori baharu yang berkaitan dengan perdagangan intra industri, halangan perdagangan dan perjanjian perdagangan bebas.

*(This course covers the international trade theories and policies. Emphasize is given on new trade theory which related to intra industry trade, trade barriers and free trade agreements.)*

**KANDUNGAN** :

**Jam**  
**Pembelajaran**  
**Bersemuka**

<b>KULIAH</b>	:	1. International Trade theory and Ricardian Model	3
		– Absolute Advantage	
		– Comparative advantage	
		2. <b>Factor Endowment and Trade – Hecksher Ohlin Model</b>	6
		– HOM: assumption	
		– Factor intensity versus Factor Abundance	
		– The Rybczynski theorem	
		– The Stolper-Samuelson Theorem	
		– The Factor Specific Model	
		– Factor proportion	
		3. <b>Beyond Comparative Advantage-Intra Industry Trade (IIT)</b>	3
		– Leontif Paradox	
		– IIT Index	
		– Type of IIT	
		– Type of IIT continue	
		–	
		4. Alternative Trade Thoery	6
		- Product Cycle	
		- Overlapping Demand	
		- Economies of scale	
		- Increasing Return to Scale and Imperfect Competition	
		- Product variety	
		5. Trade Policy and its Effects	3
		- Trade Policy - types	
		- Effects of Trade Policy – Perfect Market	
		6. Trade Policies with Market Imperfections and Distortions	3
		- Externalities	
		- The Second Best Theory	
		- Trade Policy and Market Imperfection	



- Trade Policies and Distortion	
7. International Factor Movements and MNC	6
- The Multinational Enterprise	
- Motives for foreign direct investment	
- International trade theory and MNC	
- International joint ventures	
- MNC as a source of conflict	
- International labor mobility: migration	
8. Regional and Multilateral Trading Arrangements: Economic Integration	3
- Regional integration versus multilateralism	
- Types of regional trading arrangements	
- Effects of a regional trading arrangements	
9. Trade Agreements	6
- The Role of WTO	
- Case :ASEAN, European Union, North American Free Trade Agreement (NAFTA), Asia Pacific Economic Cooperation (APEC) , WTO	
10 Trade and Foreign Direct Investment: Empirical Evidence	3
<b>Jumlah</b>	<b>42</b>

**PENILAIAN** : Kerja Kursus 60%  
Peperiksaan Akhir 40%

- RUJUKAN** : 1. Carbaugh, R.J. (2013). *International Economics*. (14<sup>th</sup> Edition). New York: Cengage Learning.
2. McLaren, J. (2013). *International Trade*. Virginia: Wiley.
3. Marrewijk, Van, C. (2012). *International Economics: Theory, Application, and Policy*. (2<sup>nd</sup> Edition). Oxford: Oxford University Press.
4. Peng, Mike (2014). *Global Business*. (3<sup>rd</sup> Edition). New York: Cengage Learning.
5. Salvatore, D. (2010). *International Economics*. (10<sup>th</sup> Edition). New York: John Wiley & Sons Inc.

**COURSE NAME:** INTERNATIONAL FINANCE  
(*Kewangan Antarabangsa*)

**COURSE CODE:** ECN 4813

**CREDIT :** 3(3+0)

**TOTAL STUDENT:** 120  
**LEARNING HOURS**

**PREREQUISITE:** ECN 3016

**LEARNING :  
OUTCOMES** Students will be able to:

1. analyse core issues in ternational finance. (C4, CTPS)
2. identify the main factors which influnece exchange rate and balance of payment. (A4,LL)
3. assess the impacts of various approaches on exchange rates and balance of payment. (C5)

**SYNOPSIS :** Kursus ini merangkumi aspek kewangan ekonomi antarabangsa. Imbangan pembayaran, pasaran tukaran asing serta kesannya ke atas ekonomi negara ditekankan.

(This course covers the financial aspects of the international economics. The balance of payments, foreign exchange market and their impacts on the nations economy are emphasized.)

<b>LECTURE: CONTENT</b>	<b>Contact Hours</b>
1. Introduction <ul style="list-style-type: none"><li>- The Importance of International Finance</li><li>- Globalization and Economic Integration</li><li>- Growth of Foreign Currency Transaction</li></ul>	3
2. Balance-of-Payments <ul style="list-style-type: none"><li>- Current Account</li><li>- Capital Account</li><li>- Deficit/Surplus of Balance-of-Payments</li></ul>	3
3. Foreign Exchange Market <ul style="list-style-type: none"><li>- Role of Foreign Exchange Market</li><li>- Arbitrage</li><li>- Real Exchange Rate</li><li>- Demand and Supply of Foreign Exchange</li></ul>	5

4.	Foreign Exchange System	5
	<ul style="list-style-type: none"> <li>- The Gold Standard system</li> <li>- Bretton Woods System</li> <li>- Fixed and Flexible Exchange Rate System</li> </ul>	
5.	Forward Currency Market	5
	<ul style="list-style-type: none"> <li>- Foreign Exchange Risk</li> <li>- Hedging</li> <li>- Loanable fund Market</li> <li>- Covered and Uncovered Interest Parity</li> </ul>	
6.	Interest Yield, Interest Rate Risk and Derivative Securities	5
	<ul style="list-style-type: none"> <li>- Interest Yield and Interest Rate Risk</li> <li>- Present Value</li> <li>- Term Structure of Interest Rate and Yield Curve</li> <li>- Risk Structure of Interest Rate</li> </ul>	
7.	Traditional Approach	5
	<ul style="list-style-type: none"> <li>- Elasticity Approach</li> <li>- Marshall-Lerner Condition</li> <li>- Effect of J- Curve</li> <li>- Absorption Approach</li> </ul>	
8.	Monetary Approach	4
	<ul style="list-style-type: none"> <li>- Monetary Base and Money Multiplier</li> <li>- Monetary Approach to BOP</li> <li>- Monetary Equilibrium Condition</li> </ul>	
9.	Portfolio Approach	3
	<ul style="list-style-type: none"> <li>- Identity in Portfolio Approach</li> <li>- Effect of changes in Money Stock</li> <li>- Effect of changes in Domestic and Foreign Interest Rates</li> </ul>	
10.	Effects of Government Policies in Open Economy	4
	<ul style="list-style-type: none"> <li>- Macroeconomic Policies and Exchange Rate System</li> <li>- Perfect Capital Mobility</li> <li>- Imperfect Capital Mobility</li> </ul>	
	<b>TOTAL</b>	<b>42</b>

<b>ASSESSMENTS:</b>	Course Work	60%
	Final Examination	40%

#### **REFERENCES:**

1. Carbaugh, R. J. (2015). International Economics. (15th Edition). Mason: South-Western Cengage.
2. Copeland, L. (2014). Exchange Rates and International Finance. (6th Edition). Boston: Pearson.

3. Daniels, J. P. & Van Hoose, D. (2014). International Monetary and Financial Economics. Boston: Pearson.
4. Moosa, I. A. (2010). International Finance: An Analytical Approach. (3rd Edition). Sydney: McGraw-Hill.
5. Pilbeam, K. (2013). International Finance. (4th Edition). New York City: Palgrave Macmillan.