

OBJECTIVE

To develop the candidate's understanding and ability to apply, analyse, and interpret the fundamental principles of economics in relation to the business environment both in the domestic and global economies.

3.0 SPECIFIC OBJECTIVES

A candidate who passes this subject should be able to:

- understand the fundamental principles of micro and macro economics
- apply basic mathematical and graphical techniques to analyze economic relationships and issues and interpret their results
- suggest possible policy related recommendations to economic problems.

3.1 Elementary Theories of Demand and Supply

3.2.1 Demand analysis

- Definition and theoretical basis of demand
- Factors influencing demand
- Types of demand
- Individual demand versus market demand
- Movement along and shifts of demand curves
- Exceptional demand curves

3.2.2 Supply analysis

quantity
supplied Q_d :
quantity
demanded SS :
Supply
curve
DD: Demand curve

- ii. The consequences of price control measures are largely linked to changes in the level of output and the elasticities of supply and demand. Moreover, the imposition of statutory prices has not been much

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