澳門理工大學
Universidade Politécnica de Macau
Macao Polytechnic University

FACULTY OF BUSINESS

Master of Science in Finance with Data Analytics

LEARNING MODULE OUTLINE

Academic Year	2023-2024	Semester	1
Module Code	FIDA6107-111		
Learning Module	Economics For Financial Analysis		
Pre-requisite(s)	NiL		
Medium of Instruction	English		
Credits	3	Contact Hours	45
Instructor	Prof. Jim H. Kwan	Email	jhkwan@mpu.edu.mo
Office	Meng Tak Building, room M531	Office Phone	8599-3316

MODULE DESCRIPTION

This module provides the foundation in microeconomics, macroeconomics and international economics that is essential in financial analysis. The major topics includes market forces of supply and demand, competition and market structure, the role of government in the economy, national income accounting, business cycles, aggregate demand/supply, fiscal and monetary policies, economic growth and development, comparative advantages and international trade, international finance and foreign exchange markets.

MODULE INTENDED LEARNING OUTCOMES (ILOS)

On completion of this learning module, students will be able to:

M1.	appraise the market forces by using the model of supply and demand;
M2.	compare & contrast different types of competition & market structures;
M3.	evaluate the role of government and its effect on national income accounting;
M4.	analyze the effect of business cycle on aggregate demand/ supply together with fiscal & monetary policies;
M5.	examine the effect of comparative advantages on international trade & policies;
M6.	synthesize international financial theories on foreign exchange markets.

These ILOs aims to enable students to attain the following Programme Intended Learning Outcomes (PILOs):

PILOs	M1	M2	M3	M4	M5	M6
P1. Master critical knowledge of financial theories, financial models and data analytics in finance and apply it to a wide range of complex financial issues.	✓	✓				
P2. Expand knowledge of finance and data analytics through critically evaluating current issues informed by leading edge research and practice in the industry.	✓	✓				
P3. Conduct applied research, particularly using data analytics, into financial issues through a rigorous and systematic approach.			✓			
P4. Communicate effectively, written and orally, to both professional and non-professional audiences on local and global financial issues.				✓		
P5. Demonstrate skills in time management, teamwork, leadership and independent study so that tasks can be planned and implemented at a professional level.					✓	
P6. Identify and address ethical dilemmas and social responsibility issues to uphold high standards of integrity, professionalism and ethical behaviour.			✓			✓

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MODULE SCHEDULE, COVERAGE AND STUDY LOAD

Week	Content Coverage	Contact Hours
1	**The Market Forces of Supply and Demand** − Markets and Competition − Demand − Supply − Supply and Demand Together − Conclusion: How Prices Allocate Resources	3 Hours 30 Aug(Wed)
2	**Elasticity and Its Application** − The Elasticity of Demand − The Elasticity of Supply − Three Applications of Supply, Demand, and Elasticity − Conclusion	3 Hours 6 Sep(Wed)
3	**Firms in Competitive Markets** − What Is a Competitive Market? − Profit Maximization and the Competitive Firm's Supply Curve − The Supply Curve in a Competitive Market − Conclusion: Behind the Supply Curve	3 Hours 13 Sep(Wed)
4	**Monopoly** − Why Monopolies Arise − How Monopolies Make Production and Pricing Decisions − The Welfare Cost of Monopolies − Price Discrimination − Public Policy toward Monopolies − Conclusion: The Prevalence of Monopolies	3 Hours 20 Sep(Wed)
5	**The Role of Government** − Provide the legal and social framework − Maintain competition − Provide public goods and services − Redistribution of income − Correction for externalities − Stabilize the economy	3 Hours 27 Sep(Wed)
6	**National Income Accounting** − The Economy's Income and Expenditure − The Measurement of GDP − The Components of GDP − Real versus Nominal GDP − Is GDP a Good Measure of Economic Well-Being?	3 Hours 6 Oct(Fri) Make-up class
7	**Production & Growth** − Economic Growth around the World − Productivity: Its Role and Determinants − Business cycles − Conclusion	3 Hours 11 Oct(Wed)

8	**Revision & Mid-term Test**	3 Hours 18 Oct(Wed)
9	**Aggregate Demand and Aggregate Supply** − Explaining Short-Run Economic Fluctuations − The Aggregate-Demand Curve − The Aggregate-Supply Curve − Two Causes of Economic Fluctuations − Conclusion	3 Hours 25 Oct(Wed)
10	**Monetary & Fiscal Policies** − How Monetary policy affect AD − How Fiscal policy affect AD − Using policies to stabilize the economy − Conclusion	3 Hours 1 Nov(Wed)
11	**Interdependence and the Gains from Trade** − Modern economy − Comparative advantage: The driving force of Specialization − Applications of Comparative Advantage − Conclusion	3 Hours 8 Nov(Wed)
12	**Application: International Trade** − The determinant of Trade − The Winners and Losers of Trade − Arguments for Restricting Trade − Conclusion	3 Hours 15 Nov(Wed)
13	**Foreign Exchange Market** − Types of Foreign Exchange Transaction − Interbank Trading − Reading Foreign Exchange Quotations − Forward and Futures Markets, Foreign Currency Options − Exchange Rate Determination − Indexes of the Foreign Exchange Value of the (U.S.) Dollar − The Forward Market − Interest Arbitrage, Currency Risk, and Hedging − Foreign Exchange Market Speculation	3 Hours 22 Nov(Wed)
14	**Exchange Rate Adjustments and the Balance-of-Payments** − The Balance-of-Payments − Effects of Exchanges Rate Changes on Costs and Prices − Cost-cutting Strategies of Manufacturers in Response to Currency Appreciation − Will Currency Depreciation Reduce a Trade Deficit? − J-Curve Effect − Exchange Rate Pass-Through − The Absorption Approach to Currency Depreciation − The Monetary Approach to Currency Depreciation	3 Hours 29 Nov(Wed)
15	Final Exam/ Paper	3 Hours

TEACHING AND LEARNING ACTIVITIES

In this learning module, students will work towards attaining the ILOs through the following teaching and learning activities:

Teaching and Learning Activities	M1	M2	M3	M4	M5	M6
T1: Interactive Lectures • Lectures: In-depth coverage of economic theories and applications is presented with slides and other additional illustration materials if necessary. • Q&As: Time is allowed to raise questions from both sides (instructor and students).	✓	✓	✓	✓	✓	✓
T2: In-Class Discussions and Exercises/ case studies • In-class discussions and exercises will be used to enhance students' understanding of both economic theories and applications.	✓	✓	✓	✓	✓	✓
T3: Assignments/Quizzes/Midterm • Both formative and summative assessments will be used.	✓	✓	✓	✓	✓	✓

ATTENDANCE

Attendance requirements are governed by the Academic Regulations Governing Master's Degree Programmes of the Macao Polytechnic University. Students who do not meet the attendance requirements for the learning module shall be awarded an 'F' grade.

ASSESSMENT

In this learning module, students are required to complete the following assessment activities:

Assessment Activities	Weighting (%)	ILOs to be Assessed
A1. Participation (Attendance/ Q&As/ Discussions)	10%	ILO 1~6
A2. Exercises/ in-class quizzes	20%	ILO 1~5
A3. Mid-term Test	20%	ILO 1~4
A4. Final Exam/ Paper	50%	ILO 1~6
TOTAL	100%	ILO 1~6

The assessment will be conducted following the University's Assessment Strategy (see www.mpu.edu.mo/teaching_learning/en/assessment_strategy.php). Passing this learning module indicates that students will have attained the ILOs of this learning module and thus acquired its credits.

GRADING SYSTEM

Letter Grade	Mark Ranges	Grade Point	Description
A	93 - 100	4.0	Excellent. Superior performance demonstrating comprehensive, in-depth understanding of subject matter. Students complete module requirements with distinction.
A-	88 - 92	3.7	
B+	83 - 87	3.3	Very good. Above average performance with full knowledge of theories and principles with no serious deficiencies.
B	78 - 82	3.0	
B-	73 - 77	2.7	
C+	68 - 72	2.3	Satisfactory. Basic understanding with knowledge of principles and theories adequate enough to complete substantive module requirements.
C	63 - 67	2.0	
C-	58 - 62	1.7	Pass. Some understanding of concepts and theories but with definite deficiencies.
D+	53 - 57	1.3	
D	50 - 52	1.0	Minimum Pass. Marginal performance to meet minimum module requirement but with major deficiencies.
F	0 - 49	0	Unsatisfactory. Fail. Knowledge of principles and concepts is fragmentary. Students fail to complete substantive module requirements.

REQUIRED REFERENCES

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Robert Carbaugh (2023), *INTERNATIONAL ECONOMICS*, 18th Edition, Cengage Learning.

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STUDENT FEEDBACK

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ACADEMIC INTEGRITY

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PLAGIARISM POLICY

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FACULTY OF BUSINESS

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Medium of Instruction	English		
Credits	3	Contact Hours	45
Instructor	Prof. Jim H. Kwan	Email	jhkwan@mpu.edu.mo
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P2. Expand knowledge of finance and data analytics through critically evaluating current issues informed by leading edge research and practice in the industry.	✓	✓				
P3. Conduct applied research, particularly using data analytics, into financial issues through a rigorous and systematic approach.			✓			
P4. Communicate effectively, written and orally, to both professional and non-professional audiences on local and global financial issues.				✓		
P5. Demonstrate skills in time management, teamwork, leadership and independent study so that tasks can be planned and implemented at a professional level.					✓	
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Week	Content Coverage	Contact Hours (Thursday)
1	**The Market Forces of Supply and Demand** – Markets and Competition – Demand – Supply – Supply and Demand Together – Conclusion: How Prices Allocate Resources	3 Hours 31 Aug
2	**Elasticity and Its Application** – The Elasticity of Demand – The Elasticity of Supply – Three Applications of Supply, Demand, and Elasticity – Conclusion	3 Hours 7 Sep
3	**Firms in Competitive Markets** – What Is a Competitive Market? – Profit Maximization and the Competitive Firm's Supply Curve – The Supply Curve in a Competitive Market – Conclusion: Behind the Supply Curve	3 Hours 14 Sep
4	**Monopoly** – Why Monopolies Arise – How Monopolies Make Production and Pricing Decisions – The Welfare Cost of Monopolies – Price Discrimination – Public Policy toward Monopolies – Conclusion: The Prevalence of Monopolies	3 Hours 21 Sep
5	**The Role of Government** – Provide the legal and social framework – Maintain competition – Provide public goods and services – Redistribution of income – Correction for externalities – Stabilize the economy	3 Hours 28 Sep
6	**National Income Accounting** – The Economy's Income and Expenditure – The Measurement of GDP – The Components of GDP – Real versus Nominal GDP – Is GDP a Good Measure of Economic Well-Being?	3 Hours 5 Oct
7	**Production & Growth** – Economic Growth around the World – Productivity: Its Role and Determinants – Business cycles – Conclusion	3 Hours 12 Oct

8	**Revision & Mid-term Test**	3 Hours 19 Oct
9	**Aggregate Demand and Aggregate Supply** − Explaining Short-Run Economic Fluctuations − The Aggregate-Demand Curve − The Aggregate-Supply Curve − Two Causes of Economic Fluctuations − Conclusion	3 Hours 26 Oct
10	**Monetary & Fiscal Policies** − How Monetary policy affect AD − How Fiscal policy affect AD − Using policies to stabilize the economy − Conclusion	3 Hours 3 Nov(Fri) Make-up class
11	**Interdependence and the Gains from Trade** − Modern economy − Comparative advantage: The driving force of Specialization − Applications of Comparative Advantage − Conclusion	3 Hours 9 Nov
12	**Application: International Trade** − The determinant of Trade − The Winners and Losers of Trade − Arguments for Restricting Trade − Conclusion	3 Hours 16 Nov
13	**Foreign Exchange Market** − Types of Foreign Exchange Transaction − Interbank Trading − Reading Foreign Exchange Quotations − Forward and Futures Markets, Foreign Currency Options − Exchange Rate Determination − Indexes of the Foreign Exchange Value of the (U.S.) Dollar − The Forward Market − Interest Arbitrage, Currency Risk, and Hedging − Foreign Exchange Market Speculation	3 Hours 23 Nov
14	**Exchange Rate Adjustments and the Balance-of-Payments** − The Balance-of-Payments − Effects of Exchanges Rate Changes on Costs and Prices − Cost-cutting Strategies of Manufacturers in Response to Currency Appreciation − Will Currency Depreciation Reduce a Trade Deficit? − J-Curve Effect − Exchange Rate Pass-Through − The Absorption Approach to Currency Depreciation − The Monetary Approach to Currency Depreciation	3 Hours 30 Nov
15	Final Exam/ Paper	3 Hours

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