

**BASICS OF ECONOMIC THEORY**

<b>The scope in Credit points</b>	6 CP		
<b>Duration of the course</b>	1 sem.		
<b>Study course annotation</b>	The course introduces students with the theories of economics from the antiquity to the present day and provides a basic understanding of how economics works. The course gives an overview of the basic principles of microeconomics and macroeconomics and uses real examples to illustrate the theoretical understanding of economic development and comprehensive study of content topics. The course reflects the interaction of different viewpoints, assesses changes, development tendencies. Students acquire skills for further research.		
<b>Aim of the study course</b>	To acquire the basics of economic theory by forming the students' conception of the genesis of economic theories - from the first economic schools to modern theories, thus gaining a broader view of the course of economic processes at different time periods, as well as developing students' critical economic thinking.		
<b>Study course results</b>	<b>Knowledge</b>	<b>Skills (knowledge, communication, general skills)</b>	<b>Competence (analysis, generalization and evaluation)</b>
	Upon successful completion of this course, students will: *demonstrate basic knowledge of the history of economic theory (schools), critical understanding of historical facts related to economic theory; •understand the theoretical foundations of economic theory; •demonstrate understanding of key concepts and regularities of economic theory; •define the main economic objectives and problems; • explain the essence of basic economic issues; •know economic regularities at both micro and macro levels.	Upon successful completion of this course, students will: •assess the role of the state in the economy, characterize and evaluate the instruments of the state economic policy; •compare similar and different at micro and macro levels in the economy; •evaluate advantages and disadvantages of economic systems, to analyse behaviour of market subjects; •identify the factors of long-term economic growth and to evaluate the rules of macroeconomic equilibrium; •logically formulate and explain the impact of fiscal and monetary policy on the socio-economic situation in the country; •to prepare and present	Upon successful completion of this course, students will: •use the acquired basic knowledge to study the development of economic theory in different historical periods and countries, •independently obtain, select, and evaluate facts relevant to the emergence and development of economic theories from inception to the present in various countries; •demonstrate a scientific approach to assessing historical facts and solving economic problems, • discuss the impact of globalization on the national economy; •assess the Latvian banking system, tax policy and budget; •evaluate the socio-



		<p>projects related to economic theory issues in a qualified manner;</p> <ul style="list-style-type: none"> <li>•apply the knowledge gained in the program in different situations, working in teams or individually.</li> </ul>	<p>economic situation in Latvia, compare the economic indicators of Latvia and other countries;</p> <ul style="list-style-type: none"> <li>•carry out research work and studies on the economic theory issues, interpret and analyse their results.</li> </ul>
<b>Study course content</b>	<b>Topics</b>		
	1	Introduction to the history of economic theory. The origin of economics as a science. Economics of the old world and Middle Ages. The first economic schools.	
	2	Development of the economic thought: development of classical school. The origin of neoclassical direction of economic thought. Marginalism.	
	3	Development of economic thought in the 19th century. The economic study of Marxism. Great Depression and Keynesianism. Modern economic theories.	
	4	Subject of economic theory, economic categories and basic principles of economics. Methodology and functions of economic theory.	
	5	The basics of micro-economics: consumer behavior theory, demand and supply theory, production theory	
	6	Basics of macroeconomics: laws and principles of functioning of national economy, macroeconomic instability, aggregate demand and aggregate supply, macroeconomic regulation	
<b>Form of assessment:</b>	Exam		
<b>Required reading:</b>			
<ol style="list-style-type: none"> <li>1. Krugman P., Wells R. Essentials of Economics, 4th Edition, Worth Publishers, 2016.</li> <li>2. Fine B., Microeconomics : A Critical Companion. London : Pluto Press. 2016.- 164 p.</li> <li>3. Daid Begg, Stanley Fisher, Rudiger Dornbuch. Economics. McGRAW-HILL BOOK Company, 9th ed., 2008.</li> </ol>			
<b>Recommended reading:</b>			
<ol style="list-style-type: none"> <li>4. Benassy-Quere, Agnes (2019). Economic policy.Theory and practice. Second edition / Agnes Benassy-Quere. - Oxford university press</li> <li>5. Williamson, Stephen D. Macroeconomics. Harlow, England : Pearson, 2018.- 731 p.</li> <li>6. Arthur O Sullivan, Steven M. Sheffrin, Stephen J. Perez.(2010). Economics : principles, applications, and tools. Pearson Education</li> </ol>			
<b>Other information sources:</b>			
<ol style="list-style-type: none"> <li>7. <a href="http://ec.europa.eu/eurostat">http://ec.europa.eu/eurostat</a></li> <li>8. An official website of the European Comission <a href="https://ec.europa.eu/info/index_en">https://ec.europa.eu/info/index_en</a></li> <li>9. WTO Research and Analysis <a href="http://www.wto.org/english/res_e/reser_e/reser_e.htm">http://www.wto.org/english/res_e/reser_e/reser_e.htm</a></li> <li>IMF Research Papers <a href="http://www.imf.org/external/pubs/res/index.htm">http://www.imf.org/external/pubs/res/index.htm</a></li> </ol>			
During the study process changes and additions to the program and the list of references are possible			