



The
Insurance Institute
Of Ireland

PROMOTING PROFESSIONALISM SINCE 1885

ECMI – MICRO ECONOMICS

SYLLABUS 2008

Introduction:

This module gives an overview of economics and economic systems. It deals with the main principles of microeconomics and explains how human behaviour distributes available resources among alternatives. The primary objective is to explain the relationship between price, demand and supply. The fundamental principals underpinning the concepts of supply and demand are explained. The concept of elasticity is also covered, price elasticity of demand, income elasticity of demand, cross elasticity of demand and price elasticity of supply. The analysis of supply, demand and price is then integrated via free market mechanism to include perfect and imperfect competition. The module concludes with markets, efficiency and the public interest.

Indicative Learning Outcomes:

On completion of this module students should be able to:

- Describe role of economics and economic systems and explain the function of economics in the allocation of scarce resources
- Explain the basic concepts and techniques used to analyse supply and demand and describe the operation of the free market as an allocation mechanism under a variety of conditions
- Explain the fundamentals of what is produced, how and for whom in the short and long terms and the objective of maximising profits and its effects on supply
- Understand the short run and long run theory of production with reference to costs and revenue determination, discussing returns, economies of scale and the optimum combination of factors of production
- Describe the constraints and opportunities set by different market structures, monopoly, oligopoly monopolistic competition and near perfect markets

Syllabus Outline (this is a summary of the syllabus and not a full statement of content):

- Overview of Economic Systems
- Resource Allocation
- Price, Demand, Supply
- Elasticity
- Competition
- Markets