

Professional Bachelor's degree program "Finance Management and Information Systems"

Study Course Title	Economics
Study Course Code	EkonB179
Branch of Science	Economics and business
Sub-branch of science	Other sub- branches of economics and business
Credits (ECTS)	6
Total Number of Contact Hours	60
Number of Lecture Hours	26
Number of Seminar and Practical Assignment Hours	34
Number of Hours for Laboratory Assignments	0
Independent Study Hours	90
Language of Instruction	Latvian and English
Course Approval Date	18.09.2025
Responsible Unit	BA School of Business and Finance of the University of Latvia

Course Developer

Dr. oec., doc. Jānis Bērziņš

Prerequisite Knowledge

Prerequisite knowledge required for the acquisition of the course corresponds to the study programme admission requirements and the general knowledge, skills and competences obtained at the previous level of education.

Study Course Abstract

Business success is based on sound evaluation and decision-making, where the wise use of resources, as well as the systematic evaluation of options and alternatives, are of critical importance. Thus, in order to make business decisions, it is necessary to understand the economic factors that affect the activities of companies at both the micro and macro levels. Microeconomic theory helps to understand and identify the best profit-maximizing choice from possible alternatives. Within the framework of the course, microeconomic theory is applied to analyse the decisions that business managers face in the business environment every day. How to make strategic decisions to make a profit? The course includes the most important topics of microeconomic theory, which will be explained on the example of companies and other organizations. Microeconomic topics include price formation, economic costs, decision-making in situations of uncertainty and the foundations of strategic interaction of competition. Macroeconomics provides the necessary understanding of the main economic indicators, the interrelationship of macroeconomic indicators, general principles of economic operation and the role of economic institutions. Understanding macroeconomic issues, drivers, and economic processes provides the opportunity to critically evaluate the policies and actions of governments, central banks, including the Bank of Latvia, the European Union, and other macroeconomic players. For entrepreneurs, understanding macroeconomic developments allows them to assess how the macroeconomic situation will affect business operations, including issues such as inflation, interest rates, tax policy, exchange rates, and others.

Students who successfully complete this course should be able to apply microeconomic and macroeconomic analysis to issues that affect both everyday business and beyond.

Study course aim is to introduce students to economic theories and tools for better understanding of key issues in micro- and macroeconomics, monetary policy, and institutions.

Course Plan Full-time Regular Studies

1. Microeconomics Block: Course content, relevance of economic theory today and contemporary trends in economics 1L 1Pd
2. Supply and Demand 2L 1Pd
3. Elasticity and Consumer Behaviour 2L 1S 1Pd

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4. Basics of Production 1L 1Pd
5. Cost Analysis 1L 1S 2Pd
6. Profit Maximization in Perfect Competition 1L 1S 2Pd
7. Profit Maximization in Imperfect Competition 1L 1S 2Pd
8. Competitive Strategy 1L 1S 2Pd
9. Pricing with Market Power 1L 1S 1Pd
10. Markets with Asymmetric Information 1L 1S 1Pd
11. Investment and Time Horizons in Capital Markets 2L 1S 1Pd
12. Macroeconomics Block: Introduction into Macroeconomics: Introduction: Output, national income, unemployment, inflation, long-term growth 1L 1Pd
13. Aggregate Expenditure and Output 2L 1Pd
14. Fiscal Policy: Taxes and Budget 2L 1Pd
15. Monetary Policy: Money and Interest Rates 2L 1S 1Pd
16. International Macroeconomics 2L 1S 1Pd
17. Financial Crises and Stabilization 1L 1S 2Pd
18. Sustainable Development 2L 1Pd
- Total 26L 11S 23Pd

Characterization of students' independent work organization and tasks

The student prepares for practical work and seminars, prepares group work assignments and completes homework. The student independently prepares for the exam in the classroom on basic economic issues, microeconomics and macroeconomics.

Learning Outcomes

Knowledge:

1. Knows the subject and goals of economics; goals of the national economy at the macro level, skills to evaluate the relationship between the goal of the national economy and goals at the micro level, can understand the economy's fundamental problems and alternative directions for solving them.
2. Knows the instruments of the state economic policy, the necessity and effectiveness of their application, and the interrelationship of economic policy instruments.
3. Knows the leading macroeconomic indicators and their interrelationship with the economic situation at the macro level, selecting the relevant indicators for analysis.
4. Knows the international economy, the general regularities of global trade and the functioning and contradictions of the global financial system

Skills:

5. Is able to critically evaluate and characterize the environment and the main determinants of macroeconomic policy that can affect the operations of companies.
6. Is able to choose and apply macroeconomic theory tools for making business decisions.
7. Is able to demonstrate skills in analysing the national economy, assessing possible state intervention in the economy and predicting its consequences.
8. Is able to apply economic theory to understand the company's optimal production volume and price formation in various market structures.
9. Is able to choose and apply economic theory tools for making business decisions and maximizing profits.
10. Is able to apply theory from the interests of the company or other organizations - for making decisions in a situation of uncertainty, understanding economic costs, price formation mechanisms and the main directions of competitors' strategic interests.

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Competence:

- 11. Critically evaluate and describe the environment and the main factors determining demand and competition that a company may face.
- 12. Able to evaluate the information necessary to solve a problem, be able to find this information, analyse and synthesize information.
- 13. Able to study literature in Latvian and English, evaluate the main statements of the written work, provide an oral and written summary of the studied literature.
- 14. Able to work in a group to solve a problem, distribute responsibilities and organize group work.
- 15. Able to speak in front of an audience, briefly, clearly and understandably formulating their thoughts.
- 16. Be able to analyse the consequences of macroeconomic policy in business, for example, the impact of interest rates, exchange rates, money supply, inflation, and others.

Requirements for Awarding Credits

Mid-term Assessments:

- 1. Test 1 - The test is graded on a 10-point scale. Weighting in the overall grade – 15%
- 2. Test 2 - The test is graded on a 10-point scale. Weighting in the overall grade – 15%
- 3. Homework - The test is graded on a 10-point scale. Weighting in the overall grade – 15%
- 4. Seminar tasks completion - The test is graded on a 10-point scale. Weighting in the overall grade – 15%
- 5. Discussion - The test is graded on a 10-point scale. Weighting in the overall grade – 15%

Final Assessment:

- 6. Exam - The test is graded on a 10-point scale. Weighting in the overall grade – 25%

Criteria for Evaluating Learning Outcomes

In accordance with Regulations of the Cabinet of Ministers of the Republic of Latvia, at the end of the course, students' knowledge is evaluated according to the following criteria: the amount and the quality of the obtained knowledge, acquired skills and competence in compliance with the planned learning outcomes.

Type of Assessment	Learning Outcomes															
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1. Test 1	+	+	+	+	+	+	+	+	-	-	-	-	-	-	-	-
2. Test 2	-	-	-	-	-	-	-	-	+	+	+	+	+	+	+	+
3. Homework	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
4. Seminar tasks completion	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
5. Discussion	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
6. Exam	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+

Compulsory Reading List

- 1. Cabral, Luís (2017). Introduction to Industrial Organization. Cambridge, MA: The MIT Press. (C)
- 2. Case, Karl E., Ray C. Fair, Sharon, M. Oster (2017). Principles of Macroeconomics. New York: Person. (CFO)
- 3. Chang, Ha-Joon (2017). Bad Samaritans: the Myth of Free Trade and the Secret History of Capitalism. New York: Bloomsbury Press.
- 4. Gärtner, Manfred (2016). Macroeconomics. Essex: Pearson Education, 5th Edition. (G)
- 5. Göpel, Maja (2016). The Great Mindshift: How a New Economic Paradigm and Sustainability Transformations go Hand in Hand. Berlin: Springer Open and Wuppertal Institute, chapter 3.
- 6. Marthinsen, John E. (2017). International Macroeconomics for Business and Political Leaders. New York: Routledge. (M)
- 7. Pindyck, Robert S. & Rubinfeld, Daniel L. (2018). Microeconomics. Harlow: Person, 9th Edition. (P&R)
- 8. Porter, Michael E. (1975). Note on the Structural Analysis of Industries. Harvard Business School Background Note, September 1975. (Revised June 1983)
- 9. Reinert, Erik (2017). How Rich Countries Get Rich... and why Poor Countries Stay Poor. London: Constable.
- 10. Samuelson, William F. & Marks, Stephen G. (2018). Managerial Economics. Hoboken, NJ: Wiley, 8th edition. (S&M)

Further Reading List

1. Davidoff, Thomas & Hermalin, Ben (2004). Lecture Notes for 201A}. Berkeley: Haas School of Business at the University of California, monograph, available at http://faculty.haas.berkeley.edu/HERMALIN/LectureNotes_v5.pdf
2. Koutsoyiannis, A. (1979). Modern microeconomics}. London: Macmillan, 2nd Edition.
3. Lipschitz, Leslie and Susan Schadler (2019). Macroeconomics for Professionals: a Guide for Analysts and Those Who Need to Understand Them. Cambridge: Cambridge University Press.
4. McKenzie, Richard B. & Lee, Dwight R. (2018). Microeconomics for MBAs. New York, NY: Cambridge University Press

Plagiarism and other academic misconducts are not permitted within the course please refer to the Regulations for Academic Integrity at the University of Latvia. Within this course, the use of generative artificial intelligence (AI) tools is allowed in exceptional cases, if it has been specified and authorised in writing by the instructor of this course. In all other cases, submission of materials generated by the AI (text, images, audio, video, etc.) in independent and group assignments, test, examination or any other assessment is not permitted, submission of this type of material will be considered an unauthorised use of aids.