

SYLLABUS

INTERNATIONAL EUROPEAN
UNIVERSITY



EUROPEAN SCHOOL
OF BUSINESS



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Course Name 

 Economic theory

Lecturer (s) 

 Olha Panchenko, PhD, associate professor at the Department of Management, Finance and Business Administration

Lecturer's profile 

 <https://business.ieu.edu.ua/pro-yemsh/struktura-kafedry-vykladachi/kafedry/kafedra-menedzhmentu>

Consultations

online consulting



offline consulting

 Every Wednesday from 2 p.m. to 3 p.m.

Contact number 

 +380679091082

E-mail 

 olhapanchenko@ieu.edu.ua

Discipline page 

 <https://business.ieu.edu.ua/navchannia/orhanizatsiia-osvitnoho-protsesu/robochi-prohramy/bakalavrat>

Form of final control

test

def. test

exam



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1 Brief discipline annotation

The Economic theory discipline provides students with the systematic holistic understanding of the foundations of the process of functioning of the market economy, methods and techniques of theoretical comprehension of principles of its management at different historical stages of society development in terms of providing efficient motivation to work, to harmonize the interests of business, government, man, society.

2 Background for studying discipline

Study of laws and regularities of emergence, establishment and functioning of the market economic system of management of society at different historical stages of its development; theoretical and practical models of functioning of the modern market economy at micro- and macro-levels; reasons for market and state failures in the system of economic development management; conceptual principles and theoretical models of interaction of the market and state in the context of globalization of society, nanotechnological revolutions and increasing social contradictions.

3 Goal and objectives of the discipline

The goal of the Economic theory discipline is to provide students with the system of knowledge ensuring deep understanding of principles, laws and regularities of establishment, functioning and development of market forms of management, to recognize reasons and essence of economic and social contradictions arising in the process of economic life, to determine indisputable advantages and disadvantages of the system of market motivation to work, excitement of students' interest in seeking the most efficient forms of harmonization of interests of all its social strata, groups and layers.

Learning the discipline will allow students to:

- realize the reasons and factors affecting the system of market forms and methods of managing economic systems, know the advantages of such model of management in relation to all other known models, obtain knowledge required for further creative cognition and development of more efficient methods of using principles and laws of market economy for successful business, development of national economic systems;
- learn to independently classify and use principles and methods of cognition of regularities of the development of economic and social processes in the globalized world, apply them to analyze problems of economic development, efficient ways of their management.

Key objectives of the Economic theory discipline:

- to reveal to students the basics and opportunities to understand laws, principles and models of functioning of modern market economy to establish the economic policy of the firm in a competitive environment, their own economic behavior, to determine the system of the most efficient motives and incentives to attract potential producers of works to creative labor;
- to make students understand the causes and factors causing the transformation of complex social and economic phenomena and processes in order to ensure adequate response of future specialists to ongoing changes by innovative modification of ways to respond to the challenges of the management system at the macro- and micro-level;
- to teach students to independently classify the essence of mutual influences of various internal and external factors on the dynamics and direction of economic and social processes in the globalized world, to apply the acquired knowledge in analyzing the problems of economic development, efficient ways to manage it.

4 Learning outcomes

PLO 3. To apply acquired theoretical knowledge to solve practical marketing tasks.

PLO 5. To identify and analyze the key characteristics of marketing systems of different levels, as well as the particularities of their entities.

PLO 6. To identify functional areas of marketing activities of a market entity and their relations in the management system, calculate appropriate indicators characterizing the efficiency of such activities.

PLO 8. To apply innovative approaches to marketing activities of a market entity, adapt flexibly to changes in the marketing environment.

5 ECTS credits

8 ECTS credits / 240 academic hours

6 Course Content

Content sections and topics	Amount of hours											
	full-time mode of study						part-time mode of study					
	total	including					total	including				
		1	p	lab.	ind.	i. w.		1	p	lab.	ind.	i. w.
1	2	3	4	5	6	7	8	9	10	11	12	13
Content module 1. General principles of economic science												
Topic 1. Object and subject of economic research. Methods of cognition of the essence of economic processes and phenomena	10	2	2	-	-	6	12	2	-	-	-	10
Topic 2. Social production, its content, functions, factors and results	10	2	2	-	-	6	6	-	-	-	-	6
Topic 3. Forms of organization of social production and their transformations in the process of human development	10	2	2	-	-	6	10	-	-	-	-	10
Topic 4. Market economy: essence, functions and structure. Market system and basic principles of its functioning	10	2	2	-	-	6	14	2	2	-	-	10
Total per content section 1	40	8	8	-0	-	24	42	4	2	-	-	36
Content module 2. Microeconomics												
Topic 5. Architectonics of the structure of economic theory as a complex system of cognition. Microeconomics	10	2	2	-	-	6	12	2	-	-	-	10
Topic 6. Entrepreneurship and enterprise in the market economy	10	2	2	-	-	6	10	-	-	-	-	10
Topic 7. Theory of consumer behavior	10	2	2	-	-	6	6	-	-	-	-	6
Topic 8. Production costs of an enterprise (company)	10	2	2	-	-	6	14	2	2	-	-	10
Topic 9. Resource markets	10	2	2	-	-	6	6	-	-	-	-	6
Topic 10. Firm in a competitive environment	10	2	2	-	-	6	10	-	-	-	-	10
Topic 11. Laws of demand and supply as objective regulators of the firm's activity in a perfect competitive environment	10	2	2	-	-	6	10	-	-	-	-	10
Topic 12. Fluctuations in supply and demand in the market economy, market equilibrium and methods of achieving it	10	2	2	-	-	6	10	-	-	-	-	10
Topic 13. Analysis of market competitiveness. Market models of perfect competition	10	2	2	-	-	6	10	-	-	-	-	10
Topic 14. Analysis of market competitiveness. Models of market functioning in the context of monopoly dominance	10	2	2	-	-	6	12	-	2	-	-	10

Topic 15. Analysis of market competitiveness. Essence, main features and particularities of oligopolistic markets	10	2	2	-	-	6	10	-	-	-	-	10
Topic 16. Forms of income of subjects of economic activity in the market economy	10	2	2	-	-	6	10	-	-	-	-	10
Total per content section 2	120	24	24	-	-	48	120	4	4	-	-	112
Content module 3. Macroeconomics												
Topic 17. Social reproduction of conditions of economic activities and human social life at the macro level	10	2	2	-	-	6	8	2	-	-	-	6
Topic 18. Internal levers of the market mechanism of self-regulation and market failures. Reasons, principles and models of state intervention in the processes of economic regulation	7	2	2	-	-	3	9	-	2	-	-	7
Topic 19. Macroeconomic characteristics in the system of state accounts	10	2	2	-	-	6	7	-	-	-	-	7
Topic 20. Aggregate demand and aggregate supply	7	2	2	-	-	3	6	-	-	-	-	6
Topic 21. Consumption, savings and investments	10	2	2	-	-	6	7	-	-	-	-	7
Topic 22. Money market and monetary policy	5	1	1	-	-	3	6	-	-	-	-	6
Topic 23. Financial system, financial and fiscal policy of the state	5	1	1	-	-	3	6	-	-	-	-	6
Topic 24. Macroeconomic equilibrium of the national market	8	1	1	-	-	6	6	-	-	-	-	6
Topic 25. Basic forms of macroeconomic instability manifestation	5	1	1	-	-	3	6	-	-	-	-	6
Topic 26. Cyclical fluctuations and economic growth	8	1	1	-	-	6	7	-	2	-	-	7
Topic 27. Macroeconomic policy in the open economy	5	1	1	-	-	3	6	-	-	-	-	6
Total per content section 3	80	16	16	-	-	36	84	2	4	-	-	72
Total hours	240	48	48	-	-	144	240	10	10	-	-	220

1. Object and subject of economic research. Methods of cognition of the essence of economic processes and phenomena
2. Social production, its content, functions, factors and results
3. Forms of organization of social production and their transformations in the process of human development
4. Market economy: essence, functions and structure. Market system and basic principles of its functioning
5. Architectonics of the structure of economic theory as a complex system of cognition. Microeconomics
6. Entrepreneurship and enterprise in the market economy



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List of obligatory tasks

7. Theory of consumer behavior
8. Production costs of an enterprise (company)
9. Resource markets
10. Firm in a competitive environment
11. Laws of demand and supply as objective regulators of the firm's activity in a perfect competitive environment
12. Fluctuations in supply and demand in the market economy, market equilibrium and methods of achieving it
13. Analysis of market competitiveness. Market models of perfect competition
14. Analysis of market competitiveness. Models of market functioning in the context of monopoly dominance
15. Analysis of market competitiveness. Essence, main features and particularities of oligopolistic markets
16. Forms of income of subjects of economic activity in the market economy
17. Social reproduction of conditions of economic activities and human social life at the macro level
18. Internal levers of the market mechanism of self-regulation and market failures. Reasons, principles and models of state intervention in the processes of economic regulation
19. Macroeconomic characteristics in the system of state accounts
20. Aggregate demand and aggregate supply
21. Consumption, savings and investments
22. Money market and monetary policy
23. Financial system, financial and fiscal policy of the state
24. Macroeconomic equilibrium of the national market
25. Basic forms of macroeconomic instability manifestation
26. Cyclical fluctuations and economic growth
27. Macroeconomic policy in the open economy

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List of selective tasks

1. Formulate a reasoned answer to the question: are the concepts of economic and economic systems of society identical in their essence and content. If not, what distinguishes them?
2. Are wage earners subjects of economic life?
3. Try to form a system of motives for economic activity of subjects of economic life. Is this system limited by economic and material needs of a person and society?
4. Give an example from your own life, when the presence of contests, competition contributed to the discovery and realization of your abilities.
5. Why is economic freedom necessary for the existence of the market and entrepreneurial activity? What principles determine the limits of this freedom?
6. Is entrepreneurial activity possible without making a profit? What are the main economic functions of profit?
7. Name 10-20 types of non-economic goods necessary to meet the needs of the individual, business and society?
8. Formulate a set of options of consumer response to changes in prices of goods. Explain what determines this or that response and whether it is possible to determine a certain connection with the system of established needs in the set of different responses?
9. Explain the essence and function of alternative expenses. Tell us whether you had to determine the need to realize the function of alternative expenses in your daily life.
10. Disclose the specifics of employment models in the context of the development of the fourth industrial revolution; in the context of the reduction of the real economy sector; in the context of the globalization of the economic system



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List of selective tasks

11. Reveal the advantages and negative consequences of factors determining the demand for land in Ukraine after the adoption of the Law on the purchase and sale of land.
12. Under what conditions does the problem of incomplete information arise and how does it affect the possibilities of equilibrium development of the national economy?
13. Characterize your subjective view of the change in demand under the influence of non-price factors.
14. Reveal the essence and role of such social and mental effects of influence on the formation of the structure and dynamics of individual and market demand as the effect of emotional psychological dependence, the effect of trendoid, the effect of clip thinking of consumers.
15. Can you identify the causes of emergence, forms of manifestation and macroeconomic consequences of long waves in the economy, their impact on the nature of changes in the structure of social production.
16. Is it possible for the market economy to function without regulatory tools on the part of the state?
17. Explain why GDP is the basic macroeconomic indicator in the System of National Accounts. What social and economic processes in the country are evidenced by the structure and dynamics of GDP in Ukraine.
18. How does the level of development and use of innovative technologies affect changes in the costs of aggregate demand formation?
19. Objective needs and subjective perceptions in the establishment of the NBU monetary policy.
20. Reveal the importance of income tax, value added tax and fiscal monopoly tax for the successful functioning of the economic system of the country.
21. In your opinion, what are the principles of efficient taxation.
22. What, in your opinion, are the key causes and consequences of the growth of public debt in modern countries? What can be the optimal ways to overcome it?
23. Try to explain the particularities of the anti-inflationary policy of the state in Ukraine.
24. What macroeconomic tools of employment policy are used in Ukraine? What is the efficiency of this policy?
25. Formulate your position on the efficiency of countercyclical policy in Ukraine.
26. In your opinion, what is the macroeconomic policy of stimulating economic growth?
27. Name and explain the nature of the main problems of formation of economic growth policy in Ukraine.
28. Why should international credits or foreign investments be given advantages from the position of providing the basis for sustainable innovative development of the national economy? Justify your answer.
29. International migration of labor force – a natural need or a form of response to violation of systemic equilibrium in the functioning of the national economy?
30. Formulate your position on the particularities of currency regulation in Ukraine.
31. Formulate your understanding of the concept of development. In your opinion, are development and growth identical?
32. What types and models of development do you know? What, in your opinion, are the most efficient and promising?
33. Characterize the essence of technological revolutions and their roles in the development of human civilization.
34. Are the regulations of Keynesianism and neo-Keynesianism currently used in the economic policy of states? If so, why?
35. What is the essence of libertarianism and how do representatives of the Ukrainian government understand it? Is it possible to develop modern Ukraine on the principles of libertarianism?
36. What are the reasons for the need and problem of forming a new paradigm of economic development of modern society? What are its key principles and features?
37. Compare the main principles, forms and tools of neoliberal and post-neoliberal model of economic development. Which model, in your opinion, best meets the interests of the majority of citizens of national states?



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9 Discipline features

Period of teaching	Semester	International disciplinary integration	Year of study	Courses: general training/ professional training/elective
2 semesters	2nd, 3rd semester	available	1st, 2nd year	Professional training

10 Assessment system and requirements

As part of discipline teaching, one carries out current and final control of students' knowledge. The final credit grade is given according to the total rating of students.

According to the results of current control during a semester, students can obtain 100 points maximally, the minimum sum of points allowing students to pass the discipline is 60 points.

Correlation between national and ECTS grades and student rating: <https://ieu.edu.ua/docs/pol-mark-esb.pdf>

11 Admission to final control

The minimum amount of points that should be obtained by students for current educational activities during a semester to be admitted to the final control is 36 points. The grade for the discipline is defined as a sum of the final points for current activities and the points for the final control and is expressed due to the multipoint scale. The grade for the discipline completing with the exam is determined as the sum of points for current learning activities (at least 36), points for individual independent work of students (no more than 6) and points for the exam (at least 24). The overall points of the discipline are 100. The total grade for the discipline is given according to the national and European scale. <https://ieu.edu.ua/docs/050.pdf>

12 Discipline policy

To ensure fruitful learning and cognitive activities of students while studying the discipline, one holds relevant lectures and seminars in the form of presentations, case studies, group work and discussion seminars. The study of the discipline includes teamwork and individual group work. The classroom atmosphere is friendly, polite and creative. Students should be honest and responsible. It is important to remember that attendance at lectures and practical classes is a prerequisite for the assessment of knowledge. The teaching staff should constantly advance their professional level, teaching skills, general culture, as well as provide students with appropriate conditions for learning educational programs according to the requirements for the content, level and capacity of education, and encourage their comprehensive development, develop young people's respect for parents, women, older people, colleagues, and classmates.

13 Policy of absence and late task performance

Students who miss the current control for valid reasons confirmed by documents have the right to take current control within two weeks after returning to studying.

Students who have missed classes without valid reasons, have not participated in current control activities, have not liquidated academic failure are not admitted to the final semester control of this discipline. In this case, an academic staff member puts a mark 'non-admission' in the exam record.

Repeated taking of the exam in the discipline is appointed in case of accomplishing all types of educational, independent (individual) work stipulated by the working program of the academic discipline and is carried out according to the approved schedule of academic failure liquidation. <https://ieu.edu.ua/docs/050.pdf>



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14 Academic integrity policy

Participants in the educational process rely on the academic integrity principles
<https://ieu.edu.ua/docs/011.pdf>

15 Recommended sources of information

Primary (basic) literature:

1. Handbook on the Economics and Theory of the Firm (2014). Edited by the late Michael Dietrich, and Jackie Krafft, 608 p. // URL: <https://www.e-elgar.com/shop/gbp/handbook-on-the-economics-and-theory-of-the-firm-9781781956113.html>
2. Handbook of Alternative Theories of Economic Development, Edited by Erik S. Reinert, Jayati Ghosh, Rainer Kattel; Edward Elgar Publishing, 2018. 848 p.
3. Steven G. Medema (2019). The Economics Book: From Xenophon to Cryptocurrency, 250 Milestones in the History of Economics (Sterling Milestones), Sterling, New York.
4. Economic theory (political economy, microeconomics, macroeconomics). Microeconomics [Text]: study guide / [N.P. Matseliukh et al]; University of the State Fiscal Service of Ukraine. – Irpin: University of the State Fiscal Service of Ukraine, 2018. – 429 p.
5. Hrontkovska H.Y., Kosik A.F. Macroeconomics / H.Y. Hrontkovska, A.F. Kosik – K.: Center for educational literature, 2017. – 672 p.
6. Economic theory: textbook / Kyiv National University of Trade and Economics; [V.D. Lahutin et al.]; edited by V.D. Lahutin, Doctor of Economics, professor. – Kyiv: Kyiv National University of Trade and Economics, 2017. – 607 p.
7. Zaitsev Y.K., Moskalenko O.M. Modern political economy as a theoretical basis for economic development of society: in 2 books. – B. 1. Philosophical and methodological principles of architectonics of contemporary political economy: monograph / Y.K. Zaitsev, O.M. Moskalenko. – Kyiv: KNEU, 2018. - 397, [3] p.
8. Zaitsev Y.K., Moskalenko O.M. Modern political economy as a theoretical basis for economic development of society: in 2 books. – B. 2. Modern political economy as a methodological paradigm of economic development policy in a globalized society: monograph / Y.K. Zaitsev, O.M. Moskalenko. – Kyiv: KNEU, 2020. – 275 p.

Additional literature:

1. The Oxford Handbook of Philosophy of Economics (2009). Edited by Don Ross and Harold Kincaid. Oxford handbook online. ISBN: 9780195189254. DOI: 10.1093/oxfordhb/9780195189254.001.0001/oxfordhb-9780195189254
<https://www.oxfordhandbooks.com/view/10.1093/oxfordhb/9780195189254.001.0001/oxfordhb-9780195189254>
2. Bazylevych V.D. Economic theory: political economy: study guide, 9th edition / V.D. Bazylevych. – K.: Znannia, 2014. – 710 p.
3. Ukraine 2030: The Doctrine of Balanced Development. – Lviv: Calvary, 2017. – 168 p. 21st
4. Vertelieva O. Factors of international competitiveness of Ukraine / O.Vertelieva // Bulletin of KNTEU. – 2016. – No. 3. – P. 33–48. – Available at: <http://visnik.knteu.kiev.ua/files/2016/03/4.pdf>
5. Bilorus O. Political and economic forecast of global co-development in the 21st century: global post-capitalism or world-system of information-network globalism // Economic Theory. – 2018. – No. 4. – P. 5–20.
6. Zhalilo Y.A. Features of implementing the economic policy of the state in the context of modern trends of social development / Y.A. Zhalilo // Economic theory. – 2016. – No. 1. – P. 39-52. – Available at: http://nbuv.gov.ua/UJRN/ecte_2016_1_5
7. Samuelson N.A. Nordhaus V.D. Microeconomics: Translated from English. – K.: Osnovy, 1998.
8. Friedman, Milton / Capitalism and freedom / M. Friedman, R. Friedman; Translated from English. N. Rohachevska. – K.: Nash Format, 2017. – 216 p.



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Tips on successful study during the course

If you want to succeed in this discipline, you should:

- **define your goal**
- **draw up a precise schedule**
- **work hard**
- **be confident and conscious**
- **be creative and active.**

Thus, I wish you insistence, goal commitment and optimism. And you'll definitely succeed! See you at classes!