

ECONOMICS

- LEVEL II

Join us on the Wits Campus for our evening class in *Economics Level II*, extending over one year in three-hour sessions, twice a week.

This is a one-year course with an academic focus and earns a Certificate of Competence. The course is offered at the Braamfontein Campus West in lecture and tutorial format by Wits specialist lecturers in economics.

TARGET AUDIENCE

The course will:

- appeal to graduates in other disciplines who have completed a rigorous first level course in Economics;
- add value to people who wish to study economics at a serious level at second year university undergraduate level;
- prepare students wishing to ultimately gain entry to the Honours programme (following completion of the Economics Level 3 course);
- add value to anyone who requires a knowledge of economics in their working life.

ADMISSION CRITERIA

The formal entry criterion for this course is the successful completion of a **sound** Economics 1 programme at university level.

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OBJECTIVES OF THE COURSE

The *Certificate in Economics Level II* further develops a capacity to understand and use economics.

The first semester components provide a more detailed analysis of the micro-economic and macro-economic theories covered in the *Certificate in Economics Level I* course, and presents alternative competing theories on how the economy functions, with emphasis on the theories, which have formed the cornerstones of economics.

The second semester components extend students' knowledge of international finance, mathematical economics, economic statistics and applied policy analysis.

OUTCOMES

- An understanding and knowledge of the theory and application of intermediate micro-economics, macro-economics and international finance;
- An understanding of basic quantitative economics and the application of mathematics, statistics and introductory econometrics to real economic analysis;
- An insight into some of the debates relating to contemporary economic policies in the South African economy;
- The ability to follow and interpret the different forms of empirical work set out in some of the econometric literature.

LENGTH OF COURSE/ TIMETABLES

Lectures: 182 contact hours and 400 hours self-study. Lectures will take place twice a week over 28 weeks, spread over two terms (February to June and July to November):

Micro-economics: lecture times 17:30-19:30 on Wednesdays followed by tutorials, 19:45-20:30 (Semester 1)

Macro-economics: lecture times 17:30-19:30 on Thursdays followed by tutorials, 19:45-20:30 (Semester 1)

International Finance: lecture times 17:30-19:30 on Thursdays followed by tutorials, 19:45-20:30 (Semester 2)

Economic Statistics: lecture times 17:30-19:30 on Wednesdays followed by tutorials, 19:45-20:30 and computer laboratory practical sessions on Saturdays, 11:30-12:30 (Block 3)

Mathematical Economics: lecture times 17:30-19:30 on Wednesdays followed by tutorials, 19:45-20:30 and a computer laboratory practical session on Saturdays, 11:30-12:30 (Block 4). (*Mathematical Economics and Economic Statistics are two modules of a single semester course*)

Applied Policy Analysis: lecture times 17:30-19:30 on Wednesdays (Semester 2).

COMMENCEMENT DATE

February

COURSE CONTENT

- Intermediate Micro-economics (Semester 1)
- Intermediate Macro-economics (Semester 1)
- International Finance (Semester 2)
- Mathematical Economics (Block 3) and Economic Statistics (Block 4) or Applied Policy Analysis (Semester 2).

Intermediate Micro-economics: Micro-economics is the branch of Economics that deals with the activities of the individual units of the economy. The traditional domain of Micro-economics is the marketplace where the focus is on the behaviour of consumers and firms and the interaction between the two under different assumptions about the market structure (perfect competition, monopoly, etc.). The second-year Micro-economics course is a transitional course and builds on the Micro-economics concepts and theories taught in Economics I.

Intermediate Macro-economics: Macro-economics suppresses much of the detail and concentrates on the behaviour of broad aggregates. Key variables in Macro-economics – the level of output/GDP, inflation, unemployment, money supply, interest rates, etc. – have become increasingly difficult to predict. The major conventional macro-economic theories of output, financial and labour markets and their policy implications (fiscal and monetary policy) are presented and compared in this course. The basic facts and issues of macro-economics – tour of the major global economies and basic national income accounting – are introduced first before we delve into the theories, applications and policy implications. Like the Intermediate Micro-economics course, the Intermediate Macro-economics course is also a transitional course, which further develops the macroeconomic theories taught in first-year Economics.

International Finance: Only one aspect of International Economics, namely International Monetary Economics (often referred to as International Finance), is covered in this module. As the names suggest, the focus is on the flow of financial capital or money between countries. This course provides a background of the basic principles of international monetary economics to help you understand why individuals and institutions trade in financial assets and how international financial transactions affect and are affected by the real and financial sectors of an economy, and also the monetary, fiscal and exchange rate policy implications.

Mathematical Economics is the application of mathematical tools to economic analysis. There are a number of reasons why mathematics is extensively used in economics: (a) it is easier to test theory

empirically (by means of econometrics) if it is put into mathematical language; (b) if there are complicated interactions between different factors it is easier to isolate the implication of a change in one of the factors if the model is specified mathematically; (c) often the implications of a theory can be more clearly seen if the theory is put into a mathematical model; (d) mathematics can often generalise results we know from particular situations, or show under what circumstances they can be generalised. This course is **not** a mathematics course but rather a course on the use or application of mathematical techniques in economics.

Econometrics shows how economists think with data. (This course is offered only in third-year Economics.)

Economic Statistics is the application of statistical tools to economic analysis and is just one component of econometrics. With the aid of econometric techniques, we can learn how data is used to estimate economic relationships, test economic theories, and sometimes even generate hypotheses about economic behaviour. The course is designed with the aim of applying statistics and introductory econometrics to real economic analysis. This course should provide students with the ability to follow and interpret the different forms of empirical work set out in some of the econometric literature.

Applied Policy Analysis: Applied Policy Analysis uses Economic Theory to analyse policies. The first part of the course will explore what is policy, how policy is made and what policy analysis means in an economic context. The second part of the course will use micro-economic and macro-economic theory to analyse various South African policies such as competition policy, labour policy, environmental policy and macro stabilisation policy. The applied nature of this course will encourage students to link Economic Theory to the real world.

Note: The School of Economic and Business Sciences offers three majors in Economics: **Economic Theory**, **Applied Economics** and **Economic Science**.

The Economic Theory major consists of four compulsory courses: micro-economics, macro-economics, and quantitative economics, i.e. mathematical economics and econometrics.

The Applied Economics major offers four specialised topics in economics, and their applications in a more focused context.

The third major, Economic Science, is a hybrid of Economic Theory and Applied Economics courses; five courses in total. Contingent on the rules of each Faculty, a student may take a double major in economics, i.e. Economic Theory III and Applied Economics III.

Students who complete the quantitative economics route in second-year Economics can progress to any of the above three majors in third-year. However, students that choose the non-quantitative route in second-year (Applied Policy Analysis) can progress to Applied Economics III and not Economic Theory III and

Economic Science III. Put differently: the quantitative courses in second-year economics are prerequisites for the third-year Economic Theory and Economic Science majors.

A good pass in the Economic Theory or Economic Science majors (currently an average of 65% or above) is the MINIMUM entrance requirement into Honours in Economics and Economic Science at Wits. The Applied Economics major is not a prerequisite for Honours in Economics but strongly recommended as a complementary course for students wishing to progress onto Honours in Economics; the latter lays a sound foundation for some of the electives offered in Honours which are advanced courses in Applied Economics.

LECTURERS

Lecturers for this course are specialist lecturers in economics from the School of Economic and Business Sciences.

ASSESSMENT CRITERIA

Tests (tutorial, practical and formal tests), assignments, and examinations in May/June and October/November.

FEES

R19 150.

METHOD OF PAYMENT

The fees for all courses are the responsibility of the individual attending the course. All fees must be paid prior to registration. Payment can be made by electronic payment or bank deposits. You will then need to bring the original proof of payment to Wits Plus on Registration Day; dates will be provided in the acceptance letter.

CANCELLATION OF A COURSE

Wits Plus courses offered over one year:

- Cancellation in the beginning of the year before commencement of lectures will result in an administration fee of 15% of the course fee for Semester 1 regardless of the reason.
- Cancellation in Semester 1 after commencement of the course will result in liability 50% of the course fees regardless of the reason.
- Cancellation in Semester 2 after commencement of classes will result in liability for the full amount of the course fees regardless of the reason.
- Students who do not meet the requirements to continue in the second half of a year course will be refunded all course fees paid in advance for that semester. ICAM and parking disc fees are not refundable.

VISITORS ACCESS

All short course participants are issued with a Visitors Access Card ±R140. Parking disc fees also apply: arrangements need to be made with the parking office. You may park in student parking on the Braamfontein Campus West.

APPLICATIONS

Applications should be accompanied by a brief CV (strictly 3 pages maximum), a matric certificate, full academic records of university/tertiary level study and other pertinent documentation listed in the application form.

Note: Wits Plus, University of the Witwatersrand, reserves the right to withdraw a course from its programme should registrations not reach viable numbers. In this event a full refund will be made. Refund requests will take a minimum of 30 working days to be processed after all documentation has been received.