



BASICS OF ECONOMICS

Basic data of the subject	
Academic Unit:	Faculty of Life and Environmental Sciences
Course title:	Basics of economics
Study program:	Forest and Environmental Sciences
Level of study:	Bachelor
Course status:	Obligatory (O)
Study year:	3 year / 6 semester
Number of hours per week:	2 + 2
Credit value – ECTS:	4 ECTS
Time/location:	To be announced
Lecturer:	Prof. Asoc. Dr. Kushtrim Braha
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Course description:	The course provides knowledge on the basic principles of economics and the way economic agents interact. The problems that this course examines include: economics and economic thinking, trade and specialization; functioning of markets; market forces of supply and demand; elasticity and its application; consumers, producers and the efficiency of markets; price controls and government policies; tax costs and determinants of the deadweight loss; determinants of international trade; market failures, monopolistic structures and externalities; public goods and common resources; basic concepts of macroeconomics; calculation of national income; calculation of cost of living and inflation; unemployment and its natural rate. The examination of these economic problems aims to understand the behavior of economic agents (individuals, households, firms and the government) that have an impact on the development and sustainable management of forest and environmental resources.
Course objectives:	The main objective of this course is to provide students with knowledge on the use of the basic tools of micro and macroeconomic analysis. This course develops students' skills in understanding how the market works, the main market forces and the impact of government policies on social welfare. Special emphasis is given to the recognition and understanding of the creation of public goods, the management of common resources and market failure concepts related to forest economics and the environment.
Learning outcomes:	Upon completion of this course, students will be able to: ▪ Master the basic terminology, concepts and principles of economics. ▪ Understand the functioning of markets, supply and demand and government policies. ▪ Describe the behavior of economic agents (consumers, households, firms, government, etc.). ▪ Understand economic welfare, consumer surplus and producer surplus.



	▪ Understand and discuss the costs and effects of taxes on economic welfare. ▪ Recognize the causes of market failures and understand the principles of creating public goods. ▪ Understand the main macroeconomic indicators (GDP, inflation, unemployment, etc.).		
Contribution on student load (must correspond with learning outcomes)			
Activity	Hours	Days/week	Total
Lectures	2	14	28
Exercise theoretical/laboratory	2	14	28
Practice work	/	/	/
Contact with lecturer/consultations	1	15	15
Field exercises	/	/	/
Mid-terms, seminars	2	1	2
Homework	1	7	7
Individual time spent studying (at the library or home)	1	8	8
Final preparation for the exam	1	8	8
Time spent in evaluation (tests, quiz, final exam)	2	1	2
Projects, presentations, etc.	2	1	2
Total			100 orë (4 ECTS)
Teaching methods:	Lectures, exercises, discussions, consultations, course projects, homework, midterm exam, final exam.		
Evaluation methods:	▪ Regular and active attendance: 10%, ▪ Midterm exam: 20%, ▪ Course project: 20%, ▪ Final exam: 50%.		
Literature			
Basic Literature:	Mankiw, G.N. & Taylor, M.P. (2012) Ekonomiksi. UET Press, Tirana. Samuelson, P. & Nordhause, W. (2023). Ekonomiksi. Educational Center, Tirana. Mançellari, A., Hadëri, S., Kule, D. & Qirici, S. (2007) Hyrje në ekonomi. UT, Tiranë.		
Additional Literature:	Hey, J.D. (2003) Intermediate microeconomics: People are different. McGraw-Hill Education, Berkshire. Blanchard, O. (2017) Macroeconomics. Pearson Education Limited, Essex. Krugman, P. R., & Wells, R. (2017). Economics. Worth Publishers.		



	Periodical reports of the national and international organizations (Kosovo Agency of Statistics, Central Bank of Kosovo, IMF, World Bank etc.)
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Designed study plan:		
Week	Lectures	Exercises
First week:	Introduction to basic concepts and principles of the economics (Ten principles of economics, How people make decisions, How people interact, How the economy as a whole works).	Distribution of the semestral project topics.
Second week:	Thinking like an economist (The economist as scientist. The economist as policy advisor. Why economists disagree).	Assignments, quizzes and case studies related to the topic of the first week lecture.
Third week:	Interdependence and the gains from trade (The principle of comparative and absolute advantage. Applications of comparative and absolute advantage).	Assignments, quizzes and case studies related to the topic of the second week lecture.
Fourth week:	The market forces of supply and demand (Markets and competition. Demand. Supply. Demand and supply together. Market equilibrium dhe disequilibrium).	Assignments, quizzes and case studies related to the topic of the third week lecture.
Fifth week:	Elasticity and its application (The elasticity of demand. The elasticity of supply. Three applications of supply, demand and elasticity).	Assignments, quizzes and case studies related to the topic of the fourth week lecture.
Sixth week:	Supply, demand, and government policies (Controls on prices. Taxes).	Assignments, quizzes and case studies related to the topic of the fifth week lecture.
Seventh week:	Consumers, producers, and the efficiency of markets (Consumer surplus. Producer surplus. Market efficiency).	Assignments, quizzes and case studies related to the topic of the sixth week lecture.
Eighth week:	Midterm exam	Assignments, quizzes and case studies related to the topic of the seventh week lecture.
Ninth week:	The costs of taxation (The deadweight loss of taxation. The determinants of the deadweight loss).	Assignments, quizzes and case studies related to the topic of the eighth week lecture.
Tenth week:	International trade (The determinants of trade. The winners and losers from trade. The arguments for restricting trade).	Assignments, quizzes and case studies related to the topic of the ninth week lecture.
Eleventh week:	Externalities (Externalities and market inefficiency. Private solutions to externalities. Public policies towards externalities).	Assignments, quizzes and case studies related to the topic of the tenth week lecture.
Twelfth week:	Public goods and common resources (Public goods. Common resources).	Assignments, quizzes and case studies related to the topic of the eleventh week lecture.



Thirteenth week:	Basic concepts and principles of macroeconomics. Measuring a nation's income (The measurement of Gross Domestic Product (GDP). The components of GDP. Real versus nominal GDP. GDP and economic well-being).	Assignments, quizzes and case studies related to the topic of the twelfth week lecture.
Fourteenth week:	Measuring the Cost of Living (The consumer price index. Correcting economic variables for the effects of inflation).	Assignments, quizzes and case studies related to the topic of the thirteenth week lecture.
Fifteenth week:	Unemployment and its natural rate (Identifying unemployment. Minimum wage laws. Unions and collective bargaining. The theory of efficiency wages).	Presentation of the course projects.
Academic policies and rules of conduct:		
▪ Student should be aware of and respect the institution and Code of ethics. ▪ Student should respect the schedule of lectures, exercises and be attentive. ▪ It is mandatory possess and present student ID card in the mid-terms and exam, ▪ During compilation of course projects, student must adhere the instructions given by the professor. ▪ During the exam is forbidden the use of mobile phones.		