

MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
Lesya Ukrainka Volyn National University
Faculty of International Relations
Department of International Economic Relations and Project Management

SYLLABUS
normative educational component
«Micro- and Macroeconomic Basics of International Business»

preparation of bachelors

specialty 292 “International Economic Relations”

educational and professional programs “International Business”,

full-time form of education

Lutsk - 2022

Syllabus of the educational component «Micro- and Macroeconomic Basics of International Business» of training bachelors in the field of knowledge 29 “International Relations” specialty 291 “International Economic Relations” of educational and professional program “International Business”.

Developer: Boiar Andrii Oleksiiiovych, Head of the Department of International Economic Relations and Project Management, Doctor of Economics, Professor.

Agreed

Guarantor of educational and professional program:



/ A. O. Boiar

The syllabus of the educational component was approved at a meeting of the Department of International Economic Relations and Project Management, Protocol No. 1 of August 30, 2022.

Head of the Department:



(Boiar A.O.)

I. DESCRIPTION OF THE EDUCATIONAL COMPONENT

Name of indicators	Branch of knowledge, specialty, educational and professional program, educational level	Characteristic educational component
Full-time form of education	29 – International Relations 292 – International Economic Relations, EPP “International Business”, bachelor’s degree	Normative
Number of hours/credits 150/5		Year of study - 2022-2023
INDT: Yes		Semester – 2-d
		Lectures – 40 hours
		Practical (seminar) – 32 hours
		Independent work – 68 hours
		Consultations – 10 hours
Language of instruction	Form of control: exam	
	Ukrainian, English	

II. INFORMATION ABOUT THE TEACHER

Name: Andrii Boiar

Scientific degree: Doctor of Economic Sciences

Academic status: Professor

Position: Head of the Department, Professor of the Department of International Economic Relations and Project Management

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Class days: <http://194.44.187.20/cgi-bin/timetable.cgi>

III. DESCRIPTION OF THE EDUCATIONAL COMPONENT

1. Course abstract

The micro- and macroeconomic foundations of organization and doing business are studied, namely: indicators of the company's activity, features of decision-making by companies in different types of market structures, characteristics of the market system (operating conditions, supply-demand, equilibrium, etc.), types of markets; indicators that characterize the country's economy as a whole (GDP, economic growth, GDP per capita, labor productivity, unemployment, inflation, the discount rate of the national bank, export/import, etc.) and their interpretation from the point of view of the company's interests, types of state regulatory policy, global and international context of the company's activities.

2. Prerequisites: "Introduction to the specialty "International Economic Relations", "Mathematics and Statistics for the Economist".

3. Postrequisites: "Theory of International Economic Relations", "Coursework on "Theory of International Economic Relations", "Educational Practice in International Economic Relations", "International Monetary and Credit and Financial Relations", "World Economy and Conjuncture of World Markets", "Economics and FEZ of Ukraine", "Economics of the Firm", "Regulation and Security of International Business", etc.

4. The purpose and objectives of the educational component

The study of the discipline "Micro- and macroeconomic basics of international business" is aimed at skilling future international businessmen with modern economic thinking and a system of micro- and macroeconomic knowledge about the functioning of the enterprise, markets, the national economy, principles and the directions of regulation of economic processes. The objectives of studying the discipline are the disclosure of existing scientific approaches to research of the enterprise, markets and the national economy; concepts and methods of modern micro- and macroeconomic analysis; decision-making models by consumers, producers of goods and services and by the regulatory state bodies; formation of understanding of the impact of macroeconomic policy of the state on the functioning of an enterprise.

5. Forms and methods of teaching: interactive lecture (verbal and illustrative-demonstration methods: narration, explanation, discussion, presentation, demonstration, question-answer, brainstorming), webinar, analysis of situations and solving situational problems, electronic testing.

6. Learning outcomes (competencies)

Integral competence: the ability to solve complex specialized problems and practical problems in the field of international economic relations in general and international business in particular, as well as in the learning process, which involves the application of new theories and methods in conducting comprehensive research of world economic relations, is characterized by complexity and uncertainty.

GC 1. Ability to exercise their rights and responsibilities as a member of society, to realize the values of civil (free democratic) society and the need for its sustainable development, the rule of law, human and civil rights and freedoms in Ukraine;

GC 3. Ability to study and be modernly trained.

GC 4. Ability to plan and manage time.

GC 8. Ability to abstract thinking, analysis and synthesis.

GC 12. Knowledge and understanding of the subject area and understanding of professional activity.

PC1. Ability to identify the characteristics and trends of the world economy, especially the implementation of economic policy and global integration / disintegration processes, including Euro-Atlantic integration.

PC3. Ability to identify features of the functioning of the environment of international economic relations and models of economic development.

PC5. Ability to conduct a comprehensive analysis and monitoring of world markets, assess changes in the international environment and be able to adapt to them.

PC6. Ability to analyze international markets for goods and services, tools and principles of international trade regulation.

PC11. Ability to conduct research on economic phenomena and processes in the international sphere, taking into account causal and spatio-temporal relationships.

PC16. The ability to constantly improve the theoretical level of knowledge, generate and effectively use them in practice.

PC18. Ability to use methods of microeconomic research, possession of categorical apparatus and theoretical concepts of microeconomic analysis in international business; understanding the patterns of international business development in market conditions; understanding and using key macroeconomic indicators in the context of international business development.

PC21. Ability to identify forms of manifestation of objective economic laws in individual industries and enterprises of various forms of ownership, use traditional and new methods of business organization and management of firm resources, optimize economic processes in the enterprise, analyze and summarize the results of operating, accounting, customs brokerage and investment activities of the firm, to develop measures to improve the efficiency of its work.

7. The structure of the educational component

Names of content modules and topics	Just	Lek.	Practical.	By oneself. Rob.	Cons.	Control method*/Max points
Content module 1. Introduction to Economic Theory						
Topic 1. Subject, object, research methods of micro- and macroeconomics	5	2	1	2	-	DS/1
Topic 2. Economic problems of society and ways to solve them in different economic systems	5	2	1	2	-	DS/1
Content module 2. Microeconomic foundations of international business						
Topic 3. Microeconomics as a component of economic science	5	2	1	2	-	DS/1
Topic 4. Market system and market mechanism. Markets of factors of production.	14	4	3	6	1	DS/4
Topic 5. Theory of consumer behavior	9	2	2	4	1	DS/2
Topic 6. Entrepreneurship and business	8	2	2	4	-	DS/2
Topic 7. Microeconomic model of production. Costs and results of the company	9	2	2	4	1	DS/2
Topic 8. Types of market structures. Business in perfect competition	10	2	2	5	1	DS/2

Topic 9. Business monopolist	11	3	2	5	1	DS/2
Topic 10. Business in conditions of imperfect competition	11	3	2	5	1	DS/2
Content module 3. Macroeconomic knowledge for an international businessman						
Topic 11. Introduction to Macroeconomics for a Businessman	8	2	2	4	-	DS/2
Topic 12. Keynesian and neoclassical economics	8	2	2	4	-	DS/2
Topic 13. GDP, economic growth and welfare	12	4	2	5	1	DS/3
Topic 14. Unemployment and inflation	9	2	2	4	1	DS/2
Topic 15. Fiscal and monetary policy of the state	17	4	4	8	1	DS/4
Topic 16. Open Market Macroeconomics	9	2	2	4	1	DS/2
Final test						T/60
Individual task						INDZ/ 6
Total hours:	150	40	32	68	10	100

* Control methods: DS – discussion, T – tests, INDZ – individual task.

IV. EVALUATION POLICY

The compliance with the norms of the Code of Academic Integrity of VNU (<http://surl.li/aagxg>) during the study process is mandatory. Missed for a good reason seminars can be worked out in handwritten form. Maximum number of allowed missed classes without a good reason is 2. It is possible to credit the results of formal or non-formal education as separate topics or content modules of the course in accordance with the Regulation of VNU dated 11.09.2020 (<http://surl.li/daloo>).

The maximum number of points for studying the course is 100, including:

- up to 34 points for participation in discussions (seminars) (Module 1);
- up to 6 points for the fulfilled individual task (Module 2);
- up to 60 points for the final test (exam) (Module 3).

For participation in a seminar class (speech, asking questions, commenting, etc.), a student can receive no more than the number of points allotted for this seminar class (see Chapter VI). The answer for a particular seminar question can be evaluated to the maximum possible number of points – 2 or 3. Questions to the speakers and the teacher are evaluated at a maximum of 1 point. The minimum evaluation step is 0.5 points. Evaluation is carried out subjectively by the teacher during the class. The points scored by each student are announced by the teacher at the end of the class.

The final test is conducted in the form of an electronic test using digital means at the time allotted by the teacher. The number of questions in the final test is 40. Question type – an alternative choice question with one or more correct answers. The full correct answer to one question is estimated at 1.5 points. The maximum number of points for the test (all answers are correct) is 60.

V. INDIVIDUAL TASK

Develop 6 test questions of medium or high level of difficulty. Questions should be informative, relevant to one of the topics of the course. At least 4 variants of answer options should be provided for selection, of which at least one answer option must be correct. All questions should relate to one of the topics of the course (according to the provided option) and appeal to the higher levels of mental activity of a respondent (according to B. Bloom's taxonomy) – the ability to understand, analyze, apply, evaluate and/or synthesize the material covered. Questions may contain graphic or tabular material (which is referenced in the text).

Examples of questions:

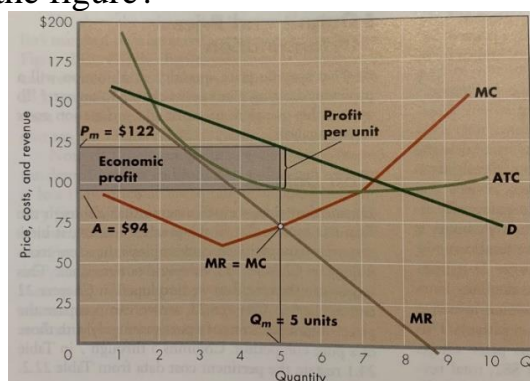
1) One of the types of markets in which an international businessman will obviously have to work is a monopolistic competition. According to various estimates about 75% of the market of developed countries operates in conditions of monopolistic competition. Which of the features is not inherent to this type of a market structure?

- substantially differentiated products;
- a large number of companies in the market;
- relatively easy conditions for entering the market by new companies;
- limited opportunities to change prices for their products;
- *the uniqueness of the products manufactured by companies.*

2) To regulate aggregate demand and influence economic dynamics, the government can use three groups of instruments: monetary, fiscal and currency. Which four of these instruments belong to monetary policy?

- *change in the discount rate of the National Bank;*
- *sale/purchase by the central bank of bonds on the open interbank market;*
- increase in the value added tax rate;
- *emission of the national currency;*
- fixing the exchange rate of the national currency relative to the main reserve currencies;
- *changes in requirements for the volume of bank reserves.*

3) It is customary to distinguish several types of market structures in which a company can operate. Each of them has its own peculiarities of decision-making by the company regarding the volume of production and sales price, which yields maximum profits. In what type of market structure is the decision made according to the model shown in the figure?



- perfect competition;

- monopolistic competition;
- *pure monopoly*;
- oligopoly;
- precious metals market.

Each of the test questions can be scored at a maximum of 1 point. The assessment is subjectively set by the teacher according to the criteria of informativeness, relevance, originality, correctness and clarity of the wording.

VI. FINAL CONTROL

The form of final control is an exam. A student who scores more than 75 points before the exam can agree to credit these points as the final grade for the course (without passing the exam). Students who score less than 75 points or want to improve their final grade for the course take the exam at the time specified in the schedule of the test and examination session. The exam is conducted in the form of electronic testing using the same database of questions as the final test. The required minimum for successful completion of the course is 60 points (see the Regulations on the current and final assessment of knowledge at Lesya Ukrainka VNU – <http://surl.li/ddfha>).

List of seminars and test questions:

Seminar 1 (max – 2 points)

Introduction to Economic Theory

1. The evolution of economic science.
2. Micro- and macroeconomics in the system of economic science.
3. Micro- and macroeconomics for an international businessman.
4. Methods of micro- and macroeconomic research.
5. Problem-oriented approach in economics.
6. Needs as a driving force of economic development.
7. Limited resources as a starting factor in economic analysis.
8. Types of economic systems.

Seminar 2 (max – 3 points)

Market microeconomics: supply and demand

1. Object and subject of microeconomic theory. Subjects of microeconomics.
2. The essence of the market. Its conditions and functions. Types of markets.
3. Demand. The law of demand. Factors affecting demand.
4. Supply. The Law of supply. Factors affecting the supply.
5. The interaction of supply and demand. Market equilibrium.
6. Elasticity of supply and demand.
7. Solve the problem. The demand curve *for backpacks in a small town is described by the equation: $Q_d = 600 - 2P$; supply curve: $Q_s = 300 + 4P$, where Q_d is the quantity of demand per month (pcs.); Q_s – the quantity of supply; P – price. Analytically and graphically determine the price and sales.*

Seminar 3 (max – 2 points)

Markets of factors of production

1. Factors of production and their types.
2. Features of the functioning of the land market.

3. The main characteristics and features of the capital market.
4. The main characteristics and features of the labor market.
5. Solve the problem. The market demand for electricians-installers is described by the equation $L=70-w$, the supply is $L=4w-30$, where L is the number of electricians-installers (thousand people), and w is the average salary of an employee in the industry (thousand UAH). Calculate the equilibrium number of electricians-installers in the labor market and their average salary. How will the situation in the market change if the state regulator sets the minimum wage at 30 thousand UAH per month?

Seminar 4 (max – 2 points)

Theory of consumer behavior

1. The concept of utility. Total and marginal utility.
2. Usefulness and welfare of consumers according to the cardinalist approach.
3. Consumer behavior in the ordinalist approach. Indifference curves.
4. Budget constraint of consumption. Utility maximization with budget constraints.
5. Price effects of consumption. Consumer surplus.
6. Household as a subject of microeconomic activity.

Seminar 5 (max – 2 points)

Entrepreneurship and business

1. The concept and types of entrepreneurship and business.
2. Prerequisites for the development of modern business.
3. Internal and external business environment.
4. Business planning.
5. Financial results of a business.
6. Risks in business projects.
7. Information in the activities of the enterprise. Competitive intelligence.

Seminar 6 (max – 2 points)

Microeconomic model of production.

Costs and other parameters of a company's activity

1. Production function and its parameters. Characteristics of production productivity.
2. Production function with two variable factors. Isoquant. Marginal rate of technical substitution.
3. Costs as a constraint factor for production. Isocosta. The optimal choice of a manufacturer.
4. Production costs and their types.
5. Revenues and profits of a company. The rule of profit maximization (cost minimization).
6. Make calculations. *The table shows the dependence of the total costs of an enterprise on output. Calculate for each volume of production: total fixed costs, total variable costs, marginal costs, average total costs, average fixed costs, average variable costs.*

Output per month, units.	Total costs, thousand UAH	Total fixed costs	Total variable costs	Marginal costs	Average total costs	Average fixed costs	Average variable costs
0	50						
1	90						
2	120						
3	145						
4	180						
5	235						
6	325						

Seminar 7 (max – 2 points)
Types of market structures.
Business in perfect competition

1. Types of market structures and their main features.
2. The essence of perfect competition.
3. Types and means of competition.
4. Production and profit maximization of a company in conditions of perfect competition.
5. Short-term and long-term situation of a company in conditions of perfect competition.
6. Solve the problem. *The total cost function of a competitive firm is expressed by the equation: $TC = 5Q^2 + 2Q$. Market price $P = 12$ UAH. Will the company make a profit in the short term? Which one?*

Seminar 8 (max – 2 points)
Business by a monopolist

1. The essence and signs of a monopoly.
2. The decision of a monopolist regarding production. Profit maximization.
3. Pricing in the monopoly market. Price discrimination.
4. Indicators of monopoly power.
5. Restriction of power over the market: antimonopoly policy of a state.
6. Solve and explain the solution of the problem:
It is established that the total production costs of the monopolist firm are $TC = 50 + K^2$, and market demand is described by the equation $P = 40 - K$, where K is the quantity of production, P is the price of products produced by the monopolist. Determine at what combination of price and quantity of production the maximum profit of the monopolist firm will be ensured. How much higher will the price be in the monopoly market compared to the market of perfect competition (using the Lerner method)?

Seminar 9 (max – 2 points)
Business in conditions of imperfect competition

1. The essence of monopolistic competition.
2. Product differentiation as one of the main forms of non-price competition.
3. Equilibrium in the market of monopolistic competition.
4. The essence and signs of oligopoly.
5. Forms of interaction between firms in the oligopolistic market:
 - 5.1. Cournot model (simultaneous establishment of production volumes).
 - 5.2. Stackelberg model (leadership in volume).
 - 5.3. Bertrand model (simultaneous pricing) and price leadership in the market.
 - 5.4. Cartel conspiracies of companies in the oligopolistic market.

Seminar 10 (max – 2 points)
Introduction to Macroeconomics for a Businessman

1. The object, subject, tasks and functions of macroeconomics.
2. Formation and development of macroeconomics.
3. World schools of macroeconomics: classical, Keynesian, neoclassical. Normative and positive macroeconomics.
4. Interrelation of micro- and macroeconomic processes in economic development.
5. System components of macroeconomic analysis of national and world economy.
6. Macroeconomic policy and its components.
7. The impact of macroeconomic decisions and processes on the development of international business.

Seminar 11 (max – 2 points)**Keynesian and neoclassical economics**

1. Basic components of the Keynesian macroeconomic model.
2. Aggregate demand in Keynesian analysis.
3. Model of macroeconomic equilibrium (AS-AD) according to Keynes.
4. State economic policy and the Keynes expenditure multiplier.
5. Say's Law and the Neoclassical approach to macroeconomic analysis.
6. Aggregate supply in the neoclassical economic model.
7. Political prescriptions of neoclassical economics.
8. Balancing between Keynesian and neoclassical models.

Seminar 12 (max – 3 points)**GDP, economic growth and welfare**

1. System of National Accounts. Key macroeconomic indicators.
2. The essence and value of GDP as a statistical indicator.
3. Methods for calculating GDP. Nominal and real GDP.
4. GDP per capita and other indicators of social welfare.
5. The concept of macroeconomic dynamics. Phases of a business cycle.
6. Factors and types of economic growth.
7. Labor productivity and deepening of capital.

Seminar 13 (max – 2 points)**Unemployment and inflation**

1. Basic characteristics of the labor market. The labor structure of the population.
2. Employment and unemployment: the essence and methods of calculation.
3. Types of unemployment and their causes.
4. State regulation of employment.
5. Inflation: essence, calculation and types.
6. Economic factors and consequences of inflation.
7. Anti-inflationary policy: forms and methods.
8. Inflation, consumer price index and GDP deflator.
9. Inflation and unemployment. Phillips curve.

Seminars 14-15 (max – 4 points)**Fiscal and monetary policy of a state**

1. The essence, functions and instruments of state regulation of the economy.
2. Fiscal policy: essence, types and instruments.
3. Discretionary and automatic fiscal policy.
4. Fiscal policy and state budget. Budget deficit and public debt. Public procurement.
5. Money and the banking system of a state.
6. Financial markets: basic characteristics, types and features of regulation.
7. The mechanism of functioning and regulation of the money market.
8. The essence and instruments of monetary policy.
9. Expansion and restriction (contraction) monetary policy.
10. The NBU as a subject of Ukraine's monetary policy.
11. Fiscal and monetary regulation of international business.

Seminar 16 (max – 2 points)**Open Market Macroeconomics**

1. The concept, signs, advantages and disadvantages of an open economy.
2. The concept and structure of the balance of payment.

3. Factors affecting the country's trade balance and the balance of payment.
4. Foreign economic policy of a state. Balance of payment regulation.
5. Currency policy of a state and its impact on the development of international business.
6. Trade policy of a state. Neoprotectionism and tools for its implementation at the beginning of the XXI century.
7. Trade wars and sanctions and their consequences for the development of international business.

VII. GRADING SCALE

Scale for assessment

Score in points	Linguistic evaluation	ECTS scale score	
		Score	Explanation
90–100	Perfectly	A	Excellent performance
82–89	Very good	B	above average level
75–81	Well	C	overall good job
67–74	Satisfactory	D	Nice
60–66	Enough	E	execution meets minimum criteria
1–59	Disappointing	Fx	Re-assembly required

VIII. RECOMMENDED LITERATURE AND ONLINE RESOURCES

- 1) McConnell, C. R., Brue, S. L., Flynn. S. M. Economics: principles, problems, and policies. 18th ed. McGraw-Hill series in economics. 2009. 917 p. URL: [economics_mcconnell_EN.pdf](#)
- 2) Samuelson, P., Nordhaus, W. Economics. 19th ed. McGraw-Hill series economics. 2010. 702 p. URL: [ECONOMICS_Samuelson.pdf](#)
- 3) Мікро- та макроекономіка: [Електронний ресурс]: навч. посіб. / уклад. О. І. Андрусь. К. : КПІ ім. Ігоря Сікорського, 2022. 325 с. URL: <http://surl.li/giqpq>
- 4) Базилевич В. Д. Мікроекономіка : навч. посіб. / В. Д. Базилевич та ін. К. : Знання, 2020. 679 с.
- 5) Базилевич В.Д., Базилевич К.С., Баластрик Л.О. Макроекономіка: Підручник / за ред. В. Д. Базилевича. К.: Знання, 2019. 851 с.
- 6) Базилінська О. Макроекономіка. Навчальний посібник. К.: ЦУЛ. 2019. 442 с.
- 7) Гронтовска Г. Мікроекономіка. Навчальний посібник. К.: ЦУЛ. 2019. 672 с.