



**REPUBLIC OF KENYA**

**COMPETENCY-BASED MODULAR CURRICULUM**

**FOR**

**ACCOUNTANCY**

**KNQF LEVEL 6**

**(CYCLE 3)**

**PROGRAM CODE: 0411 551A**



**TVET CDACC**  
**P.O. BOX 15745-00100**  
**NAIROBI**

## **ECONOMICS SKILLS**

**UNIT CODE:** 0413 551 03A

**TVET CDACC UNIT CODE:** BUS/CU/AC/CC/03/6/MA

**Duration of Unit:** 140 hours

### **Relationship to Occupational Standards**

This unit addresses the unit of competency: Apply Economics Skills

### **Unit Description**

This unit specifies the competencies required to apply economics skills. It involves; demonstrating understanding of economic concepts, applying concept of demand in market analysis, applying concept of supply in market analysis ,setting prices of the products, applying theory of consumer behaviour, applying production theory, applying theory of costs, differentiating market structures, demonstrating understanding of national income, demonstrate understanding of money and banking, demonstrate understanding of inflation and unemployment and demonstrate understanding of international trade.

### **Summary of Learning Outcomes**

<b>S/NO</b>	<b>ELEMENT</b>	<b>DURATION (HOURS)</b>
1	Apply fundamental of economic concepts	<b>12</b>
2	Apply demand concept in market analysis	<b>12</b>
3	Apply supply concept in market analysis	<b>12</b>
4	Set prices of the products	<b>12</b>
5	Apply consumer behaviour theory	<b>12</b>
6	Apply production theory	<b>11</b>
7	Apply costs theory	<b>11</b>
8	Differentiate market structures.	<b>11</b>
9	Determine national income	<b>11</b>

10	Demonstrate Understanding of money and banking	<b>12</b>
11	Demonstrate Understanding of Inflation and unemployment	<b>12</b>
12	Demonstrate understanding of international trade	<b>12</b>
		<b>TOTAL 140 HOURS</b>

### Learning Outcomes, Content and Suggested Assessment Methods

Learning Outcome	Content	Suggested Assessment Methods
1. Demonstrate understanding of principles of economics	1.1 Meaning of terms 1.2 Scope of economics 1.2.1 Micro and macro economics 1.3 The methodology of economics Positive, Normative and scientific 1.4 Basic concepts 1.4.1 Scarcity, 1.4.2 choice, 1.4.3 opportunity cost 1.4.4 production possibility frontiers curves 1.5 Economic systems: free economy, planned economy and mixed economy	<ul style="list-style-type: none"> <li>• Practical assessment</li> <li>• Project</li> <li>• POE evaluation</li> <li>• Third party reports</li> <li>• Written tests</li> </ul>
2. Apply concept of demand in market analysis	2.1 Meaning of terms 2.2 Individual demand versus market demand 2.3 Factors influencing	<ul style="list-style-type: none"> <li>• Practical assessment</li> <li>• Project</li> <li>• POE evaluation</li> </ul>

	<p>demand</p> <p>2.4 Exceptional demand curves</p> <p>2.5 Types of demand</p> <p>2.6 Movement along and shifts of demand curves</p> <p>2.7 Elasticity of demand</p> <p>2.8 Types of elasticity: price, income and cross elasticity</p> <p>2.9 Measurement of elasticity; point and arc elasticity</p> <p>2.10 Factors influencing elasticity of demand</p> <p>2.11 Application of elasticity of demand in management and economic policy decision making</p>	<ul style="list-style-type: none"> <li>• Third party reports</li> <li>• Written tests</li> </ul>
3. Apply concept of supply in market analysis	<p>3.1 Meaning of terms</p> <p>3.2 Individual versus market supply</p> <p>3.3 Factors influencing supply</p> <p>3.4 Movements along and shifts of supply curves</p> <p>3.5 Meaning of elasticity of supply</p> <p>3.6 Price elasticity of supply</p> <p>3.7 Factors influencing elasticity of supply</p> <p>3.8 Application of elasticity of supply in management and economic policy decision making</p>	<p>4 Practical assessment</p> <p>5 Project</p> <p>6 POE evaluation</p> <p>7 Third party reports</p> <p>8 Written tests</p>
4. Set prices of the products	4.1 Interaction of supply and demand, equilibrium price and quantity	5 Practical assessment

	4.2 Mathematical approach to equilibrium analysis\ 4.3 Stable versus unstable equilibrium 4.4 Effects of shifts in demand and supply on market equilibrium 4.5 Reasons for price fluctuations 4.6 Government action to stabilise the prices and incomes	6 Project 7 POE evaluation 8 Third party reports 9 Written tests
5. Apply theory of consumer behaviour	5.1 Approaches to the theory of the consumer- cardinal versus ordinal approach 5.2 Utility analysis, marginal utility (MU), law of diminishing marginal utility (DMU) 5.3 Limitations of cardinal approach 5.4 Indifference curve analysis 5.5 Budget line 5.6 Consumer equilibrium; effects of changes in prices and incomes on consumer equilibrium 5.7 Derivation of a demand curve 5.8 Applications of indifference curve analysis: substitution effect and income effect for a normal good, inferior good and a giffen good; derivation of the Engels curve 5.9 Consumer surplus	6 Practical assessment 7 Project 8 POE evaluation 9 Third party reports 10 Written tests
6. Apply production theory	6.1 Factors of production 6.2 Mobility of factors of production 6.3 Production function analysis 6.4 Short run analysis 6.5 Total product, average and marginal products	7 Practical assessment 8 Project 9 POE evaluation 10 Third party reports 11 Written tests

	6.6 Stages in production and the law of variable proportions/ the law of 6.7 diminishing returns 6.8 Long run analysis 6.9 Isoquant and isocost lines 6.10 The concept of producer equilibrium and firm's expansion curve 6.11 Law of returns to scale 6.12 Demand and supply of factors of production 6.13 Wage determination theories 6.14 Trade unions: functions and challenges 6.15 Producer surplus/economic rent	
7. Apply theory of costs	.1 Short run costs analysis and size of the firm's total cost, fixed cost, average cost, variable costs and marginal cost .2 Long run costs analysis .3 Optimal size of a firm .4 Economies and diseconomies of scale	<ul style="list-style-type: none"> <li>• Practical assessment</li> <li>• Project</li> <li>• POE evaluation</li> <li>• Third party reports</li> <li>• Written tests</li> </ul>
8. Differentiate market structures.	8.1 Meaning of terms 8.2 Necessary and sufficient conditions for profit maximisation 8.3 Mathematical approach to profit maximisation 8.4 Output, prices and efficiency of: perfect competition, monopoly, monopolistic	9 Practical assessment 10 Project 11 POE evaluation 12 Third party reports 13 Written tests

	competition, oligopolistic competition	
9. Demonstrate understanding of national income	9.1 Meaning of terms 9.2 Concepts of national income: gross domestic product (GDP), gross national product (GNP) and net national product (NNP), net national income (NNI) at market price and factor cost, disposable income 9.3 Approaches to measuring national income 9.4 Importance of national income 9.5 Circular flow of income 9.6 Problems of measurement; uses of national income statistics and their 9.7 Limitations 9.8 Analysis of consumption, saving and investment and their interaction in a 9.9 simple economic model 9.10 Determination of equilibrium national income 9.11 Inflationary and deflationary gaps 9.12 The multiplier and accelerator concepts 9.13 Business cycles/cyclical fluctuations 9.14 The differences between economic growth and economic development 9.15 The benefits of economic	10 Practical assessment 11 Project 12 POE evaluation 13 Third party reports 14 Written tests

	<p>growth</p> <p>9.16 Determinants of economic development</p> <p>9.17 Common characteristics of developing countries</p> <p>9.18 Role of agriculture and industry in economic development</p> <p>9.19 Obstacles to economic development</p> <p>9.20 The need for development planning</p> <p>9.21 Limitation of planning in developing countries</p>	
10. Demonstrate Understanding of money and banking	<p>10.1 Meaning of terms</p> <p>10.2 Characteristics of money</p> <p>10.3 Functions of money</p> <p>10.4 Demand and supply of money\</p> <p>10.5 Meaning of banking</p> <p>10.6 Functions of central bank</p> <p>10.7 Functions of commercial banks</p> <p>10.8 Non-banking financial institutions</p>	<p>11 Practical assessment</p> <p>12 Project</p> <p>13 POE evaluation</p> <p>14 Third party reports</p> <p>15 Written tests</p>
11. Demonstrate Understanding of Inflation and unemployment	<p>11.1 Meaning of terms</p> <p>11.2 Types of inflation</p> <p>11.3 Causes of inflation: Cost push and demand pull</p> <p>11.4 Effects of inflation</p> <p>11.5 Measures to control inflation</p> <p>11.6 Types and causes of unemployment</p> <p>11.7 Control measures of unemployment</p> <p>11.8 Relationship between</p>	<p>12 Practical assessment</p> <p>13 Project</p> <p>14 POE evaluation</p> <p>15 Third party reports</p> <p>16 Written tests</p>



	unemployment and inflation: the Phillips curve	
12. Demonstrate understanding of international trade	.1 Meaning of terms .2 Advantages and disadvantages of international trade .3 Theories of absolute and comparative advantage .4 Terms of trade, balance of trade and balance of payments .5 Barriers to international trade .6 Exchange rates systems .7 Economic integration .8 International financial institutions: IMF, World bank, World Trade Organization .9 Emerging issues in economics	<ul style="list-style-type: none"> <li>• Practical assessment</li> <li>• Project</li> <li>• POE evaluation</li> <li>• Third party reports</li> <li>• Written tests</li> </ul>

#### Suggested Methods of Instruction

- Practical
- Projects
- Poe evaluation
- Third party reports
- Written test

#### Recommended Resources for 30 Trainees

S/No.	Category/Item	Description/Specifications	Quantity	Recommended Ratio (Item: Trainee)
<b>A</b>	<b>Learning Materials</b>			
1.	Charts	• Flip Charts	5	1:6
<b>B</b>	<b>Learning Facilities &amp; Infrastructure</b>			

2.	Lecture/Theory Room	(9* 8 sq. metres)	1	1:30
3.	Internet Connection	WI-FI, Dial-Up, Cable, Fixed- wireless,	1	1:30
<b>C</b>	<b>Consumable Materials</b>			
4.	Markers	whiteboard markers and permanent markers	5	1:6
5.	Stationery	Printing Papers, Foolscaps	5 reams	1:6
6.	Files / folders		30	1:1
7.	Flash disks		5	1:6
<b>D</b>	<b>Tools And Equipment</b>			
8.	Computers/Laptops	Any model	30	1:1
9.	Projector	LED.LCD, Laser	1	1:30
10.	Whiteboard	Glass, melamine, porcelain	1	1:30
11.	Staplers		2	1:15
12.	Paper punch		2	1:15
13.	Metallic cabinet		1	1:30
14.	Scanner		2	1:15
15.	Printer		1	1:30
16.	Print toners		2	1:15
17.	Shredding machine		1	1:30

## References

Saleemi, N.A. (2018). *Economics simplified* (5<sup>th</sup> ed.). N.A Saleemi Publishers