Identified Competency Focus Areas and Core Courses for National Exit Examination:

Program: Bachelor of Arts Degree in Economics

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1. Introduction

There have been fundamental truths that each society faces, i.e., resources are scarce and human wants are unlimited. This imbalance necessitates efficient allocation and utilization of scarce resources in ways that maximize the benefit of a society. This requires an

understanding of three issues, i.e., How do individuals make decisions? How do economic agents interact? And how the whole economy works? It is a fact that given the scarce resources to satisfy societal wants, nations need to know how to efficiently allocate and utilize their scarce resources and competent graduates in economics can help in this regard.

Several great issues that confront us today like-unemployment, inflation, budget deficit, environmental problems, and poverty have an economic root. In order to diagnose and remedy these ailments, we must create competent graduates who can first understand the complex nature of the economy. In general, a competent graduate in economics can brighten a better place to live in the world and lessons learned.

Thus, implementing exit exams for economics program graduates will have a great implication in producing competent citizens in knowledge, skill, and attitude which makes a better understanding of how the economy generally works and more importantly how to affect the economy through different economic policies in a way that the society desires.

Moreover, there should be an intervention strategy to evaluate whether graduates have attained the required competencies with the desired knowledge, skill, and attitude through a comprehensive assessment of learning. Implementing an exit exam is one of the best ways to check whether students achieved the desired level of competency and learning outcome with relevant knowledge, skill, and attitude. As briefly explained by Seid Mohammed[1] at (MoE) exit exam is expected to measure the learning outcomes of a program to assess students' overall understanding of their educational experience. Hence, competence-based comprehensive examination/s are conducted up on the completion of graduate program.

In this regard, the Ministry of education (hereafter MoE) has been working a strategy to implement exit exams for undergraduate programs beginning from the 2015 E.C (2022/23 G.C).

The main objectives of exit examination are as follows:

- To ensure students' achievement and improve quality of education;

[1] A workshop prepared and presented entitled as "A guide to set competency and to identify courses for **Exit Exam** to be held on 2015 E.C**"** by Seid Mohammed – head for competency and quality improvement desk at MoE, held on July 18-19, 2022, Debrezeyit, Ethiopia

- To improve the relevance of academic programs and institutional performance;
- To assess whether higher education graduates attain the graduate profile or not
- To produce skilled and competent manpower for local, national, and international markets;
- To ensure that graduates achieve the required learning outcomes and hence meet the graduate profile of the curriculum;
- To provide a platform as a quality monitoring tool in the form of certification of competence for employment;

It is important to set competency areas of the subject matter (program) in order to measure the how much graduates are acquired with skills, knowledge and attitudes. The following shows us the significance or setting competencies and identifying core courses of the program;

- To set competencies that helps to assess the basic skills, knowledge and attitude of graduating students;
- To systematically identify the core courses which will be included the exit exam;

2. Expected Profiles of Graduates

A graduate's profile is the general description of the desirable qualities of graduates in real-world work. Graduates' profile helps to determine the students' conceptual knowledge, skills, and attitude that they possess. A graduate profile can be advanced through experience in the real world. It is known that economics graduates have the necessary understanding of theoretical, analytical tools, and practical implementation of contemporary economic issues. Similarly, they should have knowledge and skills in resource allocation and critical thinking on the various socio-economic phenomena. Firmly, they do also have good mathematical and analytical knowledge and skill of computer usage and software applications.

Accordingly, graduates' in economics are expected to present & transfer economic knowledge to the target groups; construct economic models with practical labor market; use empirical evidence to evaluate an economic argument; plan, appraise, evaluate & monitor projects; develop attitudes that advance states well-being; genuine & objective comments on economic policies & strategies issues; contribute to the economic policy formulation & economic advancement of the state; conduct scientific researches & assist in the dissemination of its findings; able to provide independent consultancy and advisory services

for various agents; initiate forum for the discussion of economic issues; create professional linkage with domestic and foreign economists; far-sighted about socio-economic & political issues, and develop a closer link between academic learning and practical problems in analysing various economic aspects.

3. Competences and Learning Outcomes

3.1. Competences

Usually graduates in economics was evaluated by students' knowledge, skill, and attitude. Currently, competency of students will be measured by exist exam at the end of completion of economics courses with a great emphasis of students' knowledge, skill, and attitude.

The details of the competency are presented here below by a categorizing knowledge, skills, and attitudes.

Areas of Competency	Expected Competencies to be achieved
Knowledge	**Generally** **Graduates will be able to** • Understand microeconomics & macroeconomic theories and their applications • Acquired with basic concepts of mathematical knowledge and related linear economic models • Economic applications in different sectors (financial, education, infrastructure, environment, industry, money market, public policy, agriculture, etc.) • Mathematics and econometric tools and applications • Economic applications in developmental issues • Economic applications in labor market and industrial sectors • International trade and finance • Planning, project analysis and evaluation • Economics application in institution and behavior of individual and households • Theories and application of monetary and fiscal policy instruments

Areas of Competency	Expected Competencies to be achieved
Knowledge	**Specifically** • Theories of consumer behavior, producer behavior and the market • Theories of price and output determination by firms • Functioning of different market setting, their structure and organization • Macroeconomic theories dealing with national income accounting, unemployment, inflation and economic growth of nations, etc. • Essence of macroeconomic policies on the behaviour of economic agents • Theories of renewable and non-renewable resources, public goods, externalities and market failure and environmental valuation. • Theories of international trade & finance. • Theories of wage determination, issues of labor demand and supply analysis • Different economic policy instruments (such as monetary policy, fiscal policy, income policy, trade policy, etc.) used at an aggregate level.
Skills	• Apply Basic computer skills and software applications in economic research and analysis • Design, write an actual research work and present a report using computers. • Apply different estimation for panel and time series data by using statistical software. • Use logical reasoning in economics analysis • Develop research proposal skills and writing research reports and professional articles • Apply critical socio-economic phenomenon observation and data analysis skills • Use both quantitative and qualitative socio-economic research skills. • Apply quantitative analysis on economic and non-economic variables to solve practical and real-life problems of a society and implement development-oriented researches • Use empirical evidence to evaluate an economic argument • Use appropriate statistical analysis of data, and explain the statistical problems involved. • Instruct in universities and higher training institutions.
Attitudes	• Have a rational attitude about private and/or public matters • Easy to work with others (economists and other professionals) • Ready to support state and communities

3.2. Learning Outcomes

After completing those courses presented on the mentioned themes, graduating students will be able to:

- Acquaint the students with the neoclassical theory of consumer behaviour, how each consumer makes decision to maximize her/his utility.
- Provide the students with a detailed theories of production and cost, how firms organize their production process, how firms decide to minimize costs.
- Offer a deeper understanding of the different market structures and how firms behave under different markets.
- Overview discussion of general equilibrium analysis and asymmetric information.
- Understand the working of labour markets and theories of firms, and their applications
- Appreciate why the labour market does not function perfectly,
- Familiarize with the role of government in developing different policies and manpower planning system.
- Develop skills to measures of market power/ market performance/ with empirical work.
- Distinguish different pricing strategies and its effects on the structure and performance of firms.
- Appreciate and explain industrial policy which comprises the need for industrialization, state or private control, monopoly and mergers policy and promoting small industries.
- Indicate how economic concepts can be used in constructing mathematical models for analysis.
- Introduce the students about the quantitative analysis of economic and non-economic variables so that they can use them in formulating appropriate economic policies that can solve practical and real-life problems of a society

- Understand the economic theories in quantitative terms that enable them to understand economics thoroughly and conduct problem solving and development-oriented researches in the economy

- Introduce the basic concepts of linear algebra that help them acquire the mathematical knowledge related to linear economic models.

- Look at the aggregate analysis of an economy and the interrelationship between various aggregate economic variables.
- Ascribed to the classical and Keynesian schools of thought.
- Explain the role of financial markets and financial intermediaries in the financial system
- Analyse interest rates using the bond market.
- Demonstrate the various effects of trade policy interventions
- Identify those groups that benefit and lose from a move from free to restricted trade
- Demonstrate how to apply economic reasoning to global policy issues in a critical manner
- Demonstrate knowledge of the current issues in economics, an appreciation of how economists address international economic issues and be familiar with current research issues in international economics
- Understand the economic basis behind current policy debates in international economics
- Address different policy proposals in addressing issues arising in international economics
- Deliver coherent argument in written work, including coherent arguments for assessing complex policy issues in the global economy
- Develop presentation skills in addressing theoretical and empirical issues in international economics
- Discuss and analyse nation's international interaction through trade and finance to the rest of the world.
- Explain approaches and techniques of analysing trade and finance internationally.
- Accustom the students with basic mathematical tools to understand the already acquired knowledge of economic theories empirically

- Acquaint the basics of econometrics, methods of research, types of research, standard research proposal, methods of data collection and analysis,
- Understand how to formulate, test and measure economic models to undertake research.
- Understand the basic concepts in regression involving dummy independent and dependent variables;
- Know the theory and practice of elementary time series econometrics;
- Understand the motivation and estimation methods of simultaneous equation modelling;
- Get introductory ideas on linear panel data models; and
- Apply those theoretical concepts in estimation using statistical soft wares.
- Acquire the fundamental developmental concepts to understand contemporary economic problems of developing countries.
- Understand the general relationships between human activities and the environment
- Describe the role of property rights in the resource use and allocation decisions
- Identify the resource categories and their optimal and sustainable use
- Know the optimal pollution control decisions and policy instruments
- Identify the different environmental valuation techniques
- Apply environmental valuation methods on the socioeconomic activities that will have an influence on the environment (and resources)
- Make rational decisions in utilization of environmental resources and as such, they could take their part in the activities of solving environmental problems
- Provide students with an exposure to the major problems, theories, models and policies of agricultural development.

- Acquaint students with preliminary knowledge of economic principles of agricultural production in developing countries.
- Examine the rural development policy of the country and propose possible and innovative solutions to challenges that could be faced in the process.
- Introduce students with peasant risk aversion and mitigation mechanisms under conditions of uncertainty
- Acquaint students with agricultural optimization techniques and decision making
- Enable students acquire the knowledge and practices of agricultural marketing, financing and production programming and forecasting approaches.
- Acquaint students with theories and models of rural development
- Help students understand the role and contributions of rural institutions
- Understand evolution of money in the historical context
- Explain the existence and economic role of Bank and non-Bank Financial institutions
- Demonstrate the money supply process, monetary base, the determinants of money supply, how the behaviour of the general public and the banking affect the money creation process
- Demonstrate theories of money, money demand and its determinants
- Outline and present the general framework and the basic methodology for monitoring and impact evaluations for different interventions.
- Know the basic concept of institutions, theories, models, policies and strategies which are crucial for development.
- Relate institutional and behavioural mechanisms for development (e.g., laws, customs, and beliefs) on development
- Analyse the role of history on development; widen their understanding of the development process (develop thesis ideas) and integrate behavioural insights for institutional design.
- Introduces about urban and regional economics

4. Categorizing Courses of the Program in to Themes

Exit exam in economics program for undergraduate students' competency has five themes. These are **basic microeconomics; basic macroeconomics; quantitative methods in economics with application; and economics of project planning, agriculture & environment**. Under the basic microeconomics theme; microeconomics I, microeconomics

II, labour economics, institutional and behavioural economics, urban & regional economics, and economics of industry would be considered. While, macroeconomics I, macroeconomics II, development economics I, development economics II, international economics I, international economics II, financial economics, and monetary economics are categorized under the basic macroeconomics themes. Quantitative methods in economics with application theme consist of mathematical economics, linear algebra for economist, econometrics I, and econometrics II courses. Moreover, the final theme takes into account courses like development planning & project analysis I, development planning & project analysis II, economics of agriculture, and natural resources & environmental economics. Accordingly, for exit exams documentation the themes in economics program can be generalized by the table here below.

R.No.	List of Themes in Economics Program	Cr.hr
1	Basic Microeconomics	17
2	Basic Macroeconomics	24
3	Quantitative Methods in Economics with applications	12
4	Economics of Project Planning, Agriculture and Environment	12

5. Courses to be Included in the Exit Examination

This document compiled with four themes and sixteen courses for exit examination regardless of assessing the competencies of that graduates are expected to acquire. During the preparation of this document, there was a general consensus that a specific program should consider a total of 10-15 lists of courses. However, in economics program there are plenty number of courses which were prescribed in sequences like part I and part II.

Accordingly, this document takes in to account consecutive courses as one course though those courses were delivered at different semester and academic calendar.

R.No	List of Themes	List of courses	Course code	Cr.hr
1	**Basic Microeconomics**	Microeconomics I and II	Econ2021 & Econ2022	6
		Labour economics	Econ3101	2

R.No	List of Themes	List of courses	Course code	Cr.hr
		Institutional and behavioural economics	Econ4161	3
		Economics of industry	Econ3102	3
		Urban and regional economics	Econ4162	3
2	**Basic Macroeconomics**	Macroeconomics I and II	Econ2031 & Econ2032	6
		Development economics I and II	Econ3071 & Econ3072	6
		International economics I and II	Econ3081 & Econ3082	6
		Monetary economics	Econ4121	3
		Financial economics	Econ3091	3
3	**Quantitative Methods in Economics with application**	Mathematical economics	Econ3051	3
		Linear algebra for economics	Econ2012	3
		Econometrics I and II	Econ3061 & Econ3062	6
4	**Economics of Project Planning, Agriculture and Environment**	Development planning & project analysis I and II	Econ4131 & Econ4132	6
		Economics of agriculture	Econ4111	3
		Natural resources and environmental economics	Econ3092	3

6. Conclusion

Having a competent base exit exam guide in economics program enables our graduates to have a solid understanding of microeconomic theories, macroeconomic theories, and other economic issues for intelligent applications of economics in a way that improve the quality, relevance and output of undergraduates in economics in Ethiopia; to identify necessary methodologies in economics which explain the economic phenomenon, undertake economic analysis and design economic policy; to highlight the different applications of economic theories in various sectors and expose the students to the different sub-discipline of economics like labore economics, agricultural economics, industrial economics, institutional

and behavioural economics, environmental economics, financial economics, etc; to develop skill of planning, project preparation, monitoring and evaluation; to offer short term training courses and provides consultancy service for different organizations and community; and to show students how economic science evolved, its present and future vision of the field and make them up-to-date with the dynamism of the field.

Generally, the basic aim of the exit exam is to produce high level and qualified professionals in Economics that will benefit the country's sustainable economic development. The exit exam offers a comprehensive basis for graduates' careers and further education in economics on the identified courses lists and themes. Graduates in economics will be equipped with a solid knowledge of economic theory as applied to development issues, natural resources, and other socio-economic issues, launching different research findings to the state, and providing consultancy service to the community which benefit the country's development endeavour. And also, the academia, students, and concerned higher officials are expected to be responsible for the successfulness of the new intervention coup up mechanism the so-called Exit Exam.