

Unit 5 – Economics for Tourism (THM1005)

Competences: – at the end of the module/unit the learner will have acquired the responsibility and autonomy to:

- a) Evaluate economic issues associated with tourism, as reflected in the decisions made by tourism operators and policies enacted by destination managers.
- b) appreciate the importance of developing tourism 'sustainably'.
- c) understand how economic efficiencies in tourism can be achieved in the overall objective of sustainable development of the industry.
- d) Interpret basic economic patterns and the impact that these may have on the tourism industry.

Knowledge – at the end of the module/unit the learner will have been exposed to the following: (This can be a list of knowledge/content items)

- a) An understanding of basic economic principles;
- b) An understanding of the economic issues related to the tourism sector;
- c) A knowledge of the factors that determine the demand for and the supply of a good or service;
- d) A knowledge of price theory and how it relates to real world examples
- e) An understanding of economic data relevant to the tourism sector;
- f) A recognition of market structures and their relation to supply and price;
- g) A knowledge of economic arguments and policies in tourism and hospitality;
- h) An awareness of the difference between the economics of the trade industry and service industry;
- i) A knowledge of the factors that determine the demand for and the supply of a good or service;
- j) An understanding of price intervention and how it relates to tourism and hospitality.

Skills – at the end of the module/unit the learner will have mastered the following skills:

Applying knowledge and understanding

The learner will be able to:

- a) perform basic economic analysis in the field on tourism;
- b) interpret basic tourism related economic statistics;
- c) utilize the concept of 'margin' and its applications in hospitality and tourism;
- d) explain how economic activity is measured and its implications for travel and tourism; and
- e) explain why macroeconomic fluctuations occur and how they affect the tourism industry.

Judgment Skills and Critical Abilities

The learner will be able to:

- a) make judgements about economic data related to tourism;
- b) evaluate the significance of tourism's contribution to GDP relative to other sectors;
- c) appreciate the importance of sustainability in the tourism sector.