

SAULT COLLEGE

of Applied Arts and Technology

Sault Ste. Marie

COURSE OUTLINE

INTRODUCTORY ECONOMICS

ECN 100-3

revised June, 1981 by R. Niessen

COURSE OUTLINE

COURSE TITLE: Introductory Economics COURSE NO.: ECN 100-3
INSTRUCTOR: Ralph Niessen REVISED: June 1981

Course Description:

The student will gain a sufficient knowledge of economic principles in order that he may recognize, understand and discuss current economic problems. Also the student will develop a better ability to handle his own economic affairs. The functioning of the price system, consumer economics, money and banking, fiscal policy, poverty, unions, investments and life insurance will be analyzed.

Objectives:

1. To give the students an introduction to the essentials of present-day economics. The course is geared to the needs of the person interested in understanding the basic principles of economics and their working in contemporary Canada.
2. To arouse the student's interest in the study of economics and make him aware of the complexity of the problems of economic policy and therefore a better-informed citizen.
3. To have the students understand what economics can contribute to the analysis and to possible solutions to some issues of our time.
4. To challenge students to become aware of economic issues, stimulate more sophisticated thinking, and create more worthwhile discussion about the workings of our society.
5. To have the student develop a better ability to handle his own economic affairs.
6. To enhance the student's ability to think for himself by presenting him with conflicting facts and interpretations to examine.
7. To provoke thought and challenge orthodoxy.
8. To encourage the student to read critically in a particular content area, to search and select from available material, to marshal his thoughts on a topic and to submit to the discipline of communicating his thoughts through the presentation of evidence which he has sifted and evaluated to arrive at certain conclusions.
9. To facilitate within the student the ability of discussing problems within groups.

Objectives continued...

10. To raise the relevant questions concerning the fundamental nature of our society.
11. To help students build bridges from the way economics is organized in theory to the way economics functions in the real world.
12. To enable the student to understand better what ails our society and how that society can be improved.
13. To make the student economically literate--to enable him/her to better understand the many economic matters s/he encounters.
14. To introduce the student to the way in which various economists view the world.
15. To acquaint students with the descriptions of key economic institutions, their performance, and their problems.
16. To present the basic tools of analysis with which to understand economic forces in society.
17. To provide students with an understanding of policy alternatives.
18. To enable the student to recognize economic problems, to grasp the reasoning behind conflicting positions about goals, and to comprehend the differences among solutions.
19. To motivate the student to further study.

Course Content:

1. Introduction; the problems of the weight of words. Clarify beyond reasonable doubt what is being said.

The concept of scarcity; the Production Possibilities curve.

The Diminishing Returns curve and its applications

Overpopulation; the neo-Malthusian theories; pollution and some of its costs. Factors of production. The cost of factors, a preliminary view.
2. Supply and demand; equilibrium, elasticities and cross-elasticities; substitutes and complementary products. Pricing. Imperfect market conditions, imperfections in competition, collusion, monopoly and oligopoly.
3. Money; the circular flow. Where does money come from and how is its value determined. The Keynesian revolution and the post-Keynesian crisis. Supply and demand as applicable to money. Kinds of money; the future of electronic banking and credit cards and their relationship to specie. Velocity and its effects on inflation and deflation; a brief history of the development of money.

Course Content continued...

4. Banking. Bank of Canada. The role of the Chartered Banks and N.B.I.s. The Bank Act. Fractional Reserve Banking.
5. Savings and expenditures, the Marginal Propensity to Save and the Marginal Propensity to Consume. The Multiplier and its significance. A very brief look at foreign aid and trade. The Keynesian solution to cycles.
6. National accounts; Gross and Net National Products; Gross and Net National Income and Expenditures; Taxation, direct and indirect; the role of the Provincial and Federal Governments in the area of taxation as laid down in the B.N.A. Act.
7. MICRO-ECONOMICS
Costs: fixed, variable, total costs; marginal cost; revenue and marginal revenue; the optimum, the break-even and shutdown points. The implications of cost theories on firms and individuals. Costs and supply of factors.
8. INTERNATIONAL ECONOMICS
The benefit of trade; the effects of foreign trade on international and domestic markets; regionalism in Canada; effects of regional and international trade prices.
9. Conclusion; Galbraith's theories; controls; the breakdown of neo-classical economic theories.

Text:

A set of notes available from the Campus Shop at \$2.00.

Methodology:

The basic approach in the classroom is a combination of the conventional lecture approach; student involvement through class discussion; and the involvement of students in activities which introduce them to current developments and processes in the world of economics. These activities are designed to help the student develop and apply what he reads in the above texts.

Students are expected to do the assigned readings from the text before coming to class.

Grading:

- A - 80-100%
- B - 70- 79%
- C - 50- 69%
- I - Less than 50%
- R - Less than 40%

Grading continued...

A student's grade will be determined by his performance on tests. There will be no comprehensive final examination. There will be three tests, weighted as follows:

Test 1 x 1

Test 2 x 2

Test 3 x 3

Say that a student writes 50, 60 and 70%. His average mark would be:

$$50 \times 1 = 50$$

$$60 \times 2 = 120$$

$$70 \times 3 = \underline{210}$$

$$380$$

$$380 \text{ divided by } 6 = 63\%$$

