

SAULT COLLEGE OF APPLIED ARTS & TECHNOLOGY

SAULT STE. MARIE, ONTARIO

COURSE OUTLINE

MICROECONOMICS

Course Outline: \_\_\_\_\_

Code No.: ECN 203-3

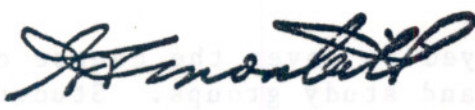
Program: BUSINESS

Semester: THREE

Date: 1985 06 01

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New: \_\_\_\_\_ Revision: X

APPROVED:   
 Chairperson

85-06-05  
 Date

MICROECONOMICS

ECN 203-3

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Course Name

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Course Number

GENERAL:

Economics is a constant part of our day-to-day lives as we engage in various activities to earn a living and enjoy life. The subject is, therefore, important to all of us.

This course will take a practical approach in introducing microeconomic theory as it applies to the contemporary economy and economic problems in Canada. The basic tools of supply and demand will be examined as to how they interact to determine prices under a variety of conditions ranging from highly competitive to monopoly industries. Other economic problems and issues will be discussed, including corporate concentration, growth of government, energy policy, labour unions, income, poverty, etc.

OBJECTIVES:

1. To stress the importance of microeconomics theory and the role it play in our daily lives.
2. To provide students with an understanding of microeconomics in terms of the operation of markets including:
  - a) the economic roles of markets in determining answers to the three basic questions of economics.
  - b) the operation of supply and demand in various markets for goods, services, labour and capital; and
  - c) the degree of producer control over prices arising from various market conditions.
3. To help the student develop a better understanding of current economic problems in Canada, possible solutions to these problems and their consequences.

METHODOLOGY:

A variety of methods will be employed to cover the course content. These will include lecture, discussions and study groups. Students will be required to read and understand the relevant chapters of the text book and other assigned readings. Student projects will also be assigned.



EVALUATION AND MARKING SCHEME:

Students will be evaluated on the following basis:

- three tests 80%
- projects, assignments, quizzes and class participation 20%

Dates of the tests will be announced approximately one week in advance. Quizzes may or may not be announced in advance.

If a student is not able to write a test because of illness, or a legitimate emergency, that student must contact the instructor prior to the test and provide an explanation which is acceptable to the instructor. (Medical certificates or other appropriate proof may be required). In cases where the student has not contacted the instructor, the student will receive a mark of zero on that test and must repeat the course. There will be no rewrites of individual tests.

Final Grade:

The final grade will be based on the following scale:

- 85% and over - "A"
- 70% to 84% - "B"
- 60% to 69% - "C"
- 59% or less - "R"

Each student must meet the following requirements in order to complete this course successfully:

1. Must complete, in a fashion acceptable to the instructor, all projects and other assignments.
2. Must write all tests and successfully complete at least two of the three tests. This means a minimum mark of 60% on each test.
3. Must have an overall mark of 60%. This mark includes all work in the semester.

Students who are not successful in achieving the minimum overall mark of 60% may be allowed to write a supplemental test, in limited circumstances.

A student with a final mark of 50 to 59% may apply to the instructor for permission to write a supplemental test which will be based on the work from the entire semester. The instructor may allow the student to write the supplemental test based on the student's attitude, participation in class and provided that the student has attempted all semester tests and given some indication of potential success on a supplemental test.

It is the responsibility of any student in this category to apply to write the supplemental test immediately when the final grades are posted.

A final grade of "C" will be assigned to any student who obtains 60% or more on the supplemental test.

In all other instances, students with a final mark of less than 60% will have to repeat the course.

RESOURCE MATERIAL:

Principal Text: Economics (First Canadian Edition); Blomquist, Wonnacott, Wonnacott; McGraw-Hill Ryerson Ltd., 1983

- Support Material:
1. Canadian Microeconomics Problems & Policies; Brian Lyons, Prentice-Hall Canada, Inc., 1983
  2. Financial Post
  3. Current newspapers and periodicals and other appropriate material.



# MICROECONOMICS

## Course Outline Weekly Schedule

Subject to change, the following is the proposed weekly schedule of subjects to be included in the microeconomics course. They are not necessarily the only subjects to be taught but rather the major areas to be covered and are presented to indicated the overall, general direction of the course.

<u>WEEK</u>	<u>SUBJECT</u>	<u>REQUIRED READINGS</u>
1	(Brief Review) <u>What is Elasticity</u>  -definition -elasticity of supply & demand -methods of calculation -application of elasticity	Chapter 19
2	<u>Demand on Utility</u>  -individual & market demand -utility -marginal utility -consumer surplus	Chapter 20
3	<u>Costs &amp; Perfectly Competitive Supply</u>  -producer decisions -law of diminishing returns -marginal costs & revenue -opportunity costs -economics of scale -definition of perfect competition	Chapter 21
4	<u>Perfect Competition &amp; Economic Efficiency</u>  -private & public benefit -efficiency of perfect competition -problems with competitive markets	Chapter 23
5	<u>Monopoly</u>  -causes of monopolies -difference in demand for firms -price selection -government & monopoly	Chapter 23
6	<u>Markets Between Monopoly &amp; Perfect Competition</u>	Chapter 24

...cont'd

- Oligopoly
- kinked demand curve
- non-price competition
- barriers to entry
- monopolistic competition

7            Government Controls on Business            Chapter 25

- regulations
- advantages in size
- Combines Investigation Act
- managers
- de-regulation

8            Problems of the Environment:  
Pollution & Congestion            Chapter 26

- an external cost
- controlling pollution
- government policy
- congestion and automobile

9            Gains From International Trade            Chapter 28

- trading partners
- comparative advantage
- absolute advantage
- efficiency gains
- adverse effect on some groups

10           Tariffs & Other International Issues            Chapter 29

- tariffs - pros and cons
- free trade
- EEC
- non-tariff barriers
- Kennedy and Tokyo Rounds

11           Wages            Chapter 30

- competitive labour market
- labour demand and productivity
- shifts in labour demand
- minimum wage

12           Wages in Labour Markets with Monopoly  
Elements            Chapter 31

- types of shops
- labour unions and market power
- featherbedding - economic effects
- cost of a strike
- wage difference: why do they exist?

13           Canadian Energy Policy            Chapter 34





