

SAULT COLLEGE OF APPLIED ARTS & TECHNOLOGY
SAULT STE. MARIE, ONTARIO

C O U R S E O U T L I N E

Course Title:- MICROECONOMICS

Code No.:- ECN 203-3

Program:- BUSINESS

Semester:- THREE

Date:- 1986 05 07
 May

Author:- MR. J. LUCCHETTI

New: ----- Revision: ----- X

APPROVED:  Date: 86-05-16

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 microeconomic theory and the role it plays in our daily lives.
2. To provide students with the knowledge of microeconomics in terms of the operation of markets including:
 - a) the economic roles of market in determining answers to the three basic economic questions.
 - 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 knowledge 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 textbook 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. These tests will normally be held outside of the regular class time. 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:

- | | |
|----------------|------|
| - 90% and more | "A+" |
| - 80% to 89% | "A" |
| - 70% to 79% | "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.
3. 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 mark of 60% may be allowed to write a supplemental test, in limited circumstances.

MICROECONOMICS

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 indicate the overall, general direction of the course.

<u>WEEK</u>	<u>SUBJECT</u>	<u>REQUIRED READINGS</u>
1	(Brief Review of Macroeconomics) <u>What is Elasticity</u> -definition -elasticity of supply & demand -methods of calculation -application of elasticity	Chapter 19
2	<u>Demand & Utility</u> -individual & market demand -utility -marginal utility -consumer surplus	Chapter 20
3	<u>Costs & Perfectly Competitive Supply</u> -producer decisions -law of diminishing returns -marginal costs and revenue -opportunity costs -economies of scale -definition of perfect competition	Chapter 21
4	<u>Perfect Competition & Economic Efficiency</u> -private & public benefit -efficiency of perfect competition -problems with competitive markets	Chapter 22
5	<u>Monopoly</u> -causes of monopolies -difference in demand for firms -government and monopolies	Chapter 23

- 6 Markets Between Monopoly & Perfect Competition Chapter 24
- 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
 - mergers
 - de-regulation
- 8 Problems of the Environment: Pollution and Congestion Chapter 26
- an external cost
 - controlling pollution
 - government policy
 - congestion and automobiles
- 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 differences: why do they exist?

