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

COURSE OUTLINE

Course Title:-	MICROECONOMICS
Code No.:-	ECN 203-3
Program:-	BUSINESS
Semester:-	THREE
Date:-	1986 05 07 May
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New: _____ Revision: _____

APPROVED: Approved: Bate: 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 mircoeconomic 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:

- To stress the importance of microeconomic theory and the role it plays in our daily lives.
- 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.
- 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 <u>must</u> contact the instructor <u>prior</u> 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. <u>THERE WILL BE NO REWRITES OF INDIVIDUAL TESTS</u>.

Final Grade:

The final grade will be based on the following scale:

-	90%	and	d 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:

- Must complete, in a fashion acceptable to the instructor, all projects and other assignments.
- Must write all tests and successfully complete at least two of the three tests. This means a minimum mark of 60% on each test.
- 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.

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A student with a final mark of 55% to 59% may apply to the instructor for permission to write a supplemental test which will be <u>based on the work from the entire semester</u>. 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: <u>Economics (First Canadian Edition)</u>; Blomquist, Wannacott, & Wannacott McGraw - Hill Ryerson Ltd., 1983.

Support Material: 1. Canadian Microeconomics Problems & Policies; Brian Lyons; Prentice-Hall Canada, Inc., 1983

- 2. Financial Post
- Current newspapers and periodicals and other appropriate material.

NOTE: -

Quizzes, tests, assignments, projects, etc. will be returned to students during <u>one of the normal class times</u>. Any student not present at that time must pick up his/her test, etc. at the teacher's office within two weeks after that class. Tests, etc. not picked up within the two weeks will be discarded.

Tests, etc. will be returned only to those students to whom they belong.

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.

WEEK SUBJECT

REQUIRED READINGS

1 (Brief Review of Macroeconomics) What is Elasticity Chapter 19

> -definition -elasticity of supply & demand -methods of calculation -application of elasticity

> > Chapter 20

-individual & market demand -utility -marginal utility -consumer surplus

Demand & Utility

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Costs & Perfectly Competitive Supply Chapter 21

-producer decisions -law of diminishing returns -marginal costs and revenue -opportunity costs -economies of scale -definition of perfect competition

4 Perfect Competition & Economic Efficiency Chapter 22

> -private & public benefit -efficiency of perfect competition -problems with competitive markets

Monopoly

Chapter 23

-causes of monopolies -difference in demand for firms -government and monopolies

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6	<u>Markets Between Monopoly & Perfect</u> 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	<u>Tariffs & Other International Issues</u>	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?		

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13 **Ctazditon France** Police -National Energy Program

14 Income Inequality

Chapter 35

-why incomes differ -distribution of Income -free market & complete equality

15 <u>Government Policies to Reduce</u> <u>Inequality</u>

Chapter 36

-poverty -who are the poor -social programs & problems -guaranteed minimum income -conflicting views on welfare -negative income tax

16 Presentation and Discussion of Projects

17 Review

Note:

Additional required readings will be assigned as the course progresses.

THE ABOVE SCHEDULE IS SUBJECT TO CHANGE

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