COURSE OUTLINE: ECN 203 -- MICRO-ECONOMICS

INSTRUCTOR: Ralph Niessen

DATE: October 1978

COURSE DESCRIPTION

As the title implies, this is the economics of the individual person and firm. This course is offered to make students aware that business and even individual decisions are often forced decisions and not capricious or arbitrary.

OBJECTIVES

1) To introduce students to the Costs involved in the manufacture of goods and services.

2) To make students aware of the great influence efficiency of lack thereof may have on the firm and job-security.

3) To have students become aware that job-floor decision may vitally affect the financial outcome of a firm's operations.

4) To give students an opportunity to study pricing theories and to determine optimum production quantities.

5) To make students aware that political attitudes of the firms may be attitudes forced upon them by circumstances.

6) To have students recognize both sides of labour-management negotiation difficulties.

7) To give students an opportunity to study imperfections of competition.

METHODOLOGY

This course will be taught in the lecture fashion, interspaced with seminar and discussion periods. Students will be encouraged to do practical assignments applying their newfound knowledge.

GRADING

A - 80% - 100%

B - 68% - 79%

C - 50% - 67%

I - 40% - 49%

R - Less than 40%

A student's grade will be determined by means of three multiple choice tests, one at the end of each unit. There will be no comprehensive final examination, but each test will cover the units already dealt with, so that the final test will cover the entire semester's work.

There are no so-called "re-writes", but a student with 'I' standing may write a maximum of two more multiple choice tests which, when averaged with the semester's other tests, will determine the final grade.

COURSE CONTENT:

1) Supply and Demand. The Theory of Diminishing Marginal Utility and the deriviation of the Demand Curve from the DMU curve. Indifference Curves and consumer equilibrium. Homogeneous Products pricing.

2) Costs: The FC, AFC, AVC, AC, MC. The optimum production points related to various costs. The long-run equilibrium of the Perfectly Competitive Firm.

3) Imperfections of competition and the effects thereof of profit maximization. The supply of factors. Trade-offs in order to obtain the right mix.

4) The Marginal Cost Curve and the derived Supply curve.
P=AVC = shutdown point
P=MC=AC = Break even
MR + MC = maximum profit point.

5) Monopolies and monopsonies. Are all monopolies necessarily bad? Collusion in price setting. Oligoplistic competition. The reasons for their existence.

6) Factor demands are derived demands. Demands for factors as opposed to the supply. External economies and dis-economies. Production functions and technological innovations as related to demand for and supply of factors. Marginal Physical Product. Pure Rent Theory.

Ralph Niessen
October 1978
/lf