

I. COURSE DESCRIPTION:

Economics is the study of the allocation of scarce productive resources to produce goods and services that are used to maximize human satisfaction in the face of unlimited human wants and needs. Microeconomics is the study of the outcomes by people and firms in various sectors. This course will examine such decisions with a focus on supply and demand, the costs of production, and market structure.

II. LEARNING OUTCOMES AND ELEMENTS OF PERFORMANCE:

Upon successful completion of this course, the student will demonstrate the ability to:

1. **Review the basics of economics and the fundamental issues involved in the theory of Supply and Demand.**

Potential Elements of Performance:

- Define Economics.
- Discuss the concepts of scarcity, factors of production and the three basic economic questions
- Distinguish macroeconomics and microeconomics.
- Develop and discuss a production possibility curve.
- Explain the difference between Demand and Quantity Demanded,
- Explain the difference between Supply and Quantity Supplied.
- Identify and explain the various factors that will cause demand to change and supply to change.
- Define equilibrium point.
- Discuss what happens to the variables when either demand or supply changes and when they both change.
- Discuss individual supply and demand as it relates to the market supply and demand.
- Explain how the market works.
- Identify and discuss various types of price controls and their impact on the economy.—shortages and surpluses.
- Provide a complete economic explanation of the key terms in the chapter.

2. **Explain the concepts of elasticity of demand and elasticity of supply; be able to calculate them using two methods and use them effectively in a business environment.**

Potential Elements of Performance:

- Discuss the concept of elasticity of demand.
- Calculate the elasticity of demand.
- Identify how the seller's total revenue is tied to elasticity.
- Explain the relationship between the elasticity of demand and the slope of the demand curve.
- Discuss some of the applications of elasticity of demand.
- Name and explain the factors, which determine the elasticity of supply and demand.
- Explain other types of elasticity.
- Provide a complete economic explanation of the key terms in the chapter.

3. **Discuss demand, utility, benefit, and marginal utility and benefit and their importance in relation to consumption and the marketplace.**

Potential Elements of Performance:

- Define utility and discuss and apply the theory of Marginal Utility.
- Explain the Law of Diminishing Marginal Utility.
- Explain use the Optimum Purchasing Rule.
- Discuss the Paradox of Value.
- Explain the concept of consumer surplus.
- Discuss price discrimination.
- Explain indifference curves and maps.
- Provide a complete economic explanation of the key terms in the chapter.

4. **Explain the costs of production in the Short Run**

Potential Elements of Performance:

- Distinguish between implicit and explicit costs and why economists measure costs differently from accountants.
- Explain the difference between normal and economic profits.
- Discuss the relationship between production and costs.
- Explain the meaning of increasing production and cutting costs.
- Identify and calculate various costs of production.

- Plot various costs of production.
- Provide a complete economic explanation of the key terms in the chapter.

5. Examine the implications of long-run costs.

Potential Elements of Performance:

- Distinguish between long-run costs and short-run costs.
- Draw a short-run average cost curve and a long-run average cost curve.
- Explain the concepts of returns to scale and economies of scale.
- Explain why big firms enjoy great advantages, yet small firms can also be successful.
- Discuss the concept of the right size for a business firm.
- Explain why markets can sometimes be too small.
- Provide a complete economic explanation of the key terms in the chapter.

6. Discuss the perfectly competitive market model.

Potential Elements of Performance:

- Identify the characteristics of different competitive markets.
- Distinguish between a plant, firm, an industry, and a market.
- Discuss perfect competition.
- Explain two approaches to how a firm might maximize its profits.
- Determine the output level at which the producer breaks even and the shutdown point.
- Calculate the output level at which the producer will make the most profit.
- Explain the effect of a change in demand or market supply on both the industry and the firm.
- Provide a complete economic explanation of the key terms in the chapter.

7. Evaluate the competitive market model.

Potential Elements of Performance:

- Define efficiency, identify various types of efficiency and discuss how they apply to competitive markets.
- Identify and explain the benefits of competitive markets.
- Explain five reasons why perfect competition might fail to achieve desirable results.
- Discuss why too much of certain undesirable products might be produced by competitive markets and desirable products might not be produced at all
- Provide a complete economic explanation of the key terms in the chapter.

8. Discuss the operation of a monopoly and its impact on the market.

Potential Elements of Performance:

- Define monopoly in the context of size of market and the number of close substitutes available for the product.
- Explain how different monopolies come into existence.
- Calculate and plot various costs and revenues associated with a monopoly.
- Illustrate at what output level a monopoly will maximize profits.
- Contrast a monopoly and perfect competition.
- Discuss why monopolies are bad and what can be said in their defence.
- Explain the ways that the government can change the behaviour of monopolies.
- Provide a complete economic explanation of the key terms in the chapter.

9. Discuss the behaviour of business firms operating in imperfect competition.

Potential Elements of Performance:

- Discuss the importance and effect of product differentiation.
- Explain why oligopolies often do not engage in price competition
- Define Monopolistic competition.
- Explain the concept of product differentiation.
- Discuss the conditions of operation in oligopoly and monopolistic competition.

- Discuss the differences between the two types of imperfect competition.
- Explain why large firms are often tempted to collude and form cartels.
- Argue the pros and cons of advertising.
- Provide a complete economic explanation of the key terms in the chapter.

10. Discuss various elements involved in the factors of production.

Potential Elements of Performance:

- Explain how the demand for any of the factors of production depends on the level of their productivity.
- Discuss other important factors operating in the labour market.
- Explain why factors that are highly inelastic in supply require special analysis.
- Discuss the relevance of the right rate of exploitation in the natural resource market.
- Explain two views on the ultimate source of profits.
- Provide a complete economic explanation of the key terms in the chapter.

11. Discuss various aspects of international trade.

Potential Elements of Performance:

- Explain the relationship between specialization and trade.
- Explain why nations trade with each other.
- Discuss the theory of absolute advantage.
- Determine and discuss comparative advantage.
- Discuss the terms of trade and their impact on international trade.
- Explain the benefits of free trade and some of the important qualifications.
- Discuss free trade and protectionism.
- Provide a complete economic explanation of the key terms in the chapter.

Marks for the above outcomes will be distributed approximately equally.

III. TOPICS:

1. The Economic Problem
2. Demand and Supply: An Introduction and An Elaboration
3. Elasticity
4. Consumer Demand
5. The Costs of Production
6. Costs in the Long Run
7. Perfect Competition
8. An Evaluation of Competitive Markets.
9. Monopoly
10. Imperfect Competition
11. The Factors of Production
12. International Trade

IV. REQUIRED RESOURCES/TEXTS/MATERIALS:

Principal Text: Sayre, John E. and Morris, Alan J. (2004) Principles of Microeconomics 4th Edition; McGraw-Hill Ryerson.

Support Material: Periodicals and other appropriate material.

V. Evaluation Process/Grading System

Students will be evaluated on the following basis:

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| • Quizzes &/or Assignments | 25% |
| • First Test | 20% |
| • Second Test | 20% |
| • Final Test (semester work) | 35% |

TOTAL	100%
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TESTS

Dates of tests will be announced approximately one week in advance.

Students are required to write all tests and quizzes as scheduled.

Tests will be composed of two parts. Part a will be multiple choice completed using Web-Ct. Part b will be application and essay questions.

Tests will be written on Tuesdays 3:30-5:30.

Students must meet the following requirements to complete this course successfully:

1. Must complete, in a fashion acceptable to the professor, all projects and assignments where required.
2. Must write the two tests and the final exam. If a student misses a test, or the final exam and has not made appropriate arrangements as outlined below, he/she will receive a mark of zero for that test/exam.
3. Must have an overall mark of 50%. This mark includes all work in the semester.

Students who are not successful in achieving the minimum mark of 50% and/or do not complete the required assignments in an acceptable fashion, as they are due, will repeat the course.

**FINAL GRADES WILL BE ISSUED BY THE REGISTRAR'S OFFICE
A STUDENT MUST HAVE A MINIMUM GPA OF 2.0 TO GRADUATE**

The following semester grades will be assigned to students in postsecondary courses:

<u>Grade</u>	<u>Definition</u>	<u>Grade Point Equivalent</u>
A+	90 - 100%	4.00
A	80 - 89%	4.00
B	70 – 79%	3.00
C	60 – 69%	2.00
D	50 – 59%	
F (Fail)	49% or below	0.00
CR (Credit)	Credit for diploma requirements granted	
S	Satisfactory achievement in field placement or non-graded subject areas.	
U	Unsatisfactory achievement in field placement or non-graded subject areas.	
X	A temporary grade. This is used in limited situations with extenuating circumstances giving a student time to complete the requirements for a course. X-grades are issued at the discretion of the professor.	
NR	Grade not reported to Registrar's office.	
W	Student has withdrawn from the course without academic penalty.	

VI. SPECIAL NOTES:

Special Needs:

If you are a student with special needs (e.g. physical limitations, visual impairments, hearing impairments, or learning disabilities), you are encouraged to discuss required accommodations the Special Needs office. Visit Room E1101 or call Extension 493 so that support services can be arranged for you.

Retention of course outlines:

It is the responsibility of the student to retain all course outlines for possible future use in acquiring advanced standing at other postsecondary institutions.

Plagiarism:

Students should refer to the definition of “academic dishonesty” in *Student Rights and Responsibilities*. Students who engage in “academic dishonesty” or attempt to engage in “academic dishonesty” will receive an automatic failure for that submission and/or such other penalty, up to and including expulsion from the course/program, as may be decided by the professor/dean. In order to protect students from inadvertent plagiarism, to protect the copyright of the material referenced, and to credit the author of the material, it is the policy of the department to employ a documentation format for referencing source material. All statistics require a source.

Course outline amendments:

The Professor reserves the right to change the information contained in this course outline depending on the needs of the learner and the availability of resources.

Substitute course information is available in the Registrar's office.

Missed Tests/Exam:

If a student is not able to write a test/exam as scheduled, for medical reasons or some other emergency, that student is asked to contact the professor, when possible, **prior** to the test/exam and provide an explanation which is acceptable to the professor. (Medical certificates or other appropriate proof **may** be required.) Following the student's return to the college, he/she must request, in writing, to write a makeup for the missed test/exam. This request will be in proper letter form (typed), hard copy, (no e-mail) and must outline the reasons for requesting special consideration. Making such a request does not guarantee that the student will receive permission to make up for the missed test/exam. Such requests must be made immediately upon the student's return to the college.

The professor will consider the request, and if permission is granted, the test/exam will be given at the end of the semester, or at some other time at the professor's convenience. This will allow time for the student to prepare for the test without missing important work and to provide time for the professor to prepare a new test.

In considering the request, the professor will take a number of factors into consideration. These will include, but not limited to, the student's attendance and participation in class, completion of other tests, quizzes, and assignments as scheduled and the professor's judgment as to the student's potential success.

In all other cases, the student will receive a mark of zero for that test.

THERE WILL BE NO SUPPLEMENTARY TESTS!!**Attendance:**

Students are expected to attend all scheduled classes. Attendance will be taken for each class.

In all cases, attendance of less than 90% of the scheduled classes is not acceptable.

The professor will use attendance in considering student requests for special consideration in writing missed tests and quizzes.

Late:

As a result of the plethora of students arriving late for classes and the need to maintain classroom decorum, students who are late may enter the class during the break. It is not acceptable to disrupt the class.

Submitting Assigned Work:

All assignments, projects, questions, etc. must be submitted to the professor at the beginning of class on the due date. Once the class starts, any assignment, etc. which has not been submitted will be considered late. If no class is scheduled on the due date, students are required to deliver the assignments, etc. to the professor's office, by the deadline time. Assignments, etc. may be submitted in advance; normally assignments, etc. will not be accepted after the stated deadline. If a student wishes consideration for a late submission, he/she must make this request in a formal typed letter, (hard copy) providing an explanation. If the assignment is accepted late, a penalty will be assessed. Assignments, etc. will not be accepted late once those which have been submitted on time have been graded and returned to students.

It is the student's responsibility to ensure that the professor gets his/her completed assignment, etc. Do not place the assignment in the professor's mailbox. In such cases the assignment will not be considered submitted until the professor picks up his mail.

Return of Students' Work:

Tests, quizzes, assignments, etc. will be returned to students during one of the normal class times. Any student not present at that time must pick up his/her test, etc. at the professor's office within three weeks of that class. Tests, etc. not picked up within the three weeks will be discarded. End of semester tests, etc. will be held for three weeks following the end of the semester. If they have not been picked up within that three-week period, they will be discarded.

Tests, etc. will be returned only to the students to whom they belong. In limited circumstances tests, etc. may be given to another student, if the student to whom they belong provides written instructions in a formal, typed letter (hard copy) to the professor requesting that the test, etc. be given to a particular individual.

Assistance is Always Available:

Students are urged to ask questions and to participate in, and contribute to, the class discussion. Students are also encouraged to read newspapers, magazines, etc. and to tune in to radio and television newscasts for legal and business news. This will make the subject more understandable, interesting, and practical. It will provide students the opportunity to better apply the theory and to enhance his/her opportunity for success in this course.

Classroom Decorum:

Students will respect the diversity and the dignity of those in the classroom. Students will respect the professor's right and duty to teach and students' right to learn without interference. Students who cause any interference with the objectives of the class, or conduct themselves inappropriately, will be asked to leave the classroom. Students will not be permitted to return until he/she commits in writing, typed, (a formal letter) that he/she will conduct him/herself appropriately in the classroom. This letter will be properly dated, signed, and addressed to the professor.

If a student is asked to leave the classroom a second time, he/she must make an appointment with the Dean. The Dean and/or the professor will decide if the student will be permitted to return to class and any conditions that may apply. At that time a copy of the above letter may be submitted to the Dean.

In the event that a student is asked to leave the classroom a third time, he/she will not be permitted back to the classroom for the rest of the semester. The Dean will also decide if any other action needs to be taken

Students attending this class do so to study Microeconomics. Therefore, no other activity will be permitted. Student's who wish to engage in other activities will be asked to leave the classroom, as described above.

Other inappropriate behaviour includes, but not limited to, sleeping in class, or appearing to be sleeping in class, putting feet (foot) on the furniture, writing on the furniture, talking or otherwise communicating in private conversations, having CD players or cell phones on, etc.

Drinks such as coffee, tea, water, pop, and juices will be permitted in the classroom but not in labs. If a student spills a drink he/she must clean up the mess. This must be accomplished without disturbing the class. No food (of any type) is permitted in the classroom. This includes during the class, before the class, and during breaks.

Do not leave garbage or other materials behind when you leave the classroom. If the material is garbage, place it in the garbage container as you exit the room. If the container is full, place the item neatly next to the container.

Only those people who are appropriately registered in this course or those invited by the professor are permitted in the classroom

It is the professor's intention to maintain proper classroom decorum at all times in order to provide the best possible learning and teaching environment.

VII. PRIOR LEARNING ASSESSMENT:

Students who wish to apply for advanced credit in the course should consult the Dean. Credit for prior learning will be given upon successful completion of a challenge exam or portfolio.

VIII. DIRECT CREDIT TRANSFERS:

Students who wish to apply for direct credit transfer (advanced standing) should obtain a direct credit transfer form from the Dean's secretary. Students will be required to provide a transcript and course outline related to the course in question.

IX. GENERAL EDUCATION REQUIREMENTS.

This course meets the general education requirements set by the ministry.