



**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 defense.
- 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.

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. A Firm's Production and Costs in the Short Run
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

**IV. REQUIRED RESOURCES/TEXTS/MATERIALS:**

Principal Text: Sayre, John E. and Morris, Alan J. (2005) Principles of Microeconomics 5th Edition; McGraw-Hill Ryerson.

⇒ Calculator

Support Material: Periodicals and other appropriate material.

**V. Evaluation Process/Grading System**

Students will be evaluated on the following basis:

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|----------------------------|-----|
| • Presentation/ Research   | 20% |
| • Quizzes &/or Assignments | 20% |
| • First Test               | 20% |
| • Second Test              | 20% |
| • Third Test               | 20% |

TOTAL	100%
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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%	1.00
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.	

## Missed Tests

Students are expected to be present to write all tests with the class. If a student is unable to write a test because of illness or a legitimate emergency, that student must contact the professor prior to the class and provide an explanation, which is acceptable to the professor. Should the student fail to contact the professor, the student shall receive a **grade of zero** on the test.

Once the test has commenced, the student is considered absent and will not be given the privilege of writing the test until the end of the semester. The late student must see the professor at the end of the class time and provide a suitable explanation to the professor in order to qualify to write at the end of the semester.

Any student who has missed a test and meets the following criteria may write the missed test Monday, April 21, 2008 in room E2110 at 3:30 to 5:30 p.m.

In order to qualify to write the missed test, the student shall have:

- a) attended at least 80% of the classes.
- b) provided the professor an acceptable explanation for his/her absence.
- c) been granted permission by the professor.

NOTE: The missed test will be a new test.

NOTE: Cell phones must be turned off during tests.

## VI. SPECIAL NOTES:

Special Needs:

If you are a student with special needs (e.g. physical limitations, visual impairments, hearing impairments, learning disabilities), you are encouraged to discuss required accommodations with the Special Needs Office, Room E1204 or call Extension. 2703 so that support services may 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 post-secondary institutions.

Communication:

The College considers **WebCT/LMS** as the primary channel of communication for each course. Regularly checking this software platform is critical as it will keep you directly connected with faculty and current course information. Success in this course may be directly related to your willingness to take advantage of the **Learning Management System** communication tool.



**Plagiarism:**

Students are directed to the definition of “academic dishonesty” in Student Rights and Responsibilities. Students who 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.

**Course outline amendments:**

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

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

**Attendance:**

Regular attendance is expected to ensure course information is communicated to all students. In-class observation of student work and guidance by the professor aids student success. Lectures will not be repeated in subsequent classes.

**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.

Students are required to retain their tests, quizzes, assignments, etc. in the event that there is a disagreement with the mark received and the mark recorded by the professor. If the student is not able to present the instrument in question, the professor’s recorded mark will stand.

**Questions &/or Concerns:**

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 economic 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. Student 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 will be asked to leave the classroom and will not be permitted to return until he/she commits in writing, typed, (a formal letter) that he/she will conduct themselves appropriately in the classroom. This letter will be 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 for a disposition. At that time, a copy of the above letter will be given 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. Students 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 privately with other students, having a cell phone ring or talking on during class, etc.

Consistently late students will be asked to leave the class.

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.

Only those students who are properly registered for this course or those invited by the professor are permitted to be in the classroom.

**VII. PRIOR LEARNING ASSESSMENTS:**

Students who wish to apply for advanced credit in this course should consult the professor. 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. See the Academic calendar of events for time limits.