

SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

SAULT STE. MARIE, ONTARIO



COURSE OUTLINE

COURSE TITLE:	Microeconomics		
CODE NO. :	BCO106	SEMESTER:	17W
PROGRAM:	Business/Accounting 2035/2050		
AUTHOR:	J. Cavaliere BBA MBA		
DATE:	01-Jan-17	PREVIOUS OUTLINE DATED:	New
APPROVED:	Sherri Smith		Dec 6/16
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	CHAIR	DATE	
TOTAL CREDITS:	3		
PREREQUISITE(S):	None		
HOURS/WEEK:	3		

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*For additional information, please contact Sherri Smith, Chair of the
School of Environment, Technology and Business
(705) 759-2554, ext. 2811*

I. COURSE DESCRIPTION:

In this course, students will discuss small-scale economic phenomena. Students will examine the behaviours of individuals, households, firms, industries, and resource owners. Further, they will review the explanations for such things as prices and output of firms, and the choices of consumers in buying goods and services. Finally, they will examine technological change, costs, competitions and adjustments of markets to new conditions.

II. LEARNING OUTCOMES AND ELEMENTS OF THE PERFORMANCE:

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

1. Use the basic supply and demand model to assess the implications for price and output of various events.

Potential Elements of the Performance:

- Define and explain the basic economic terms.
- State the determinants of supply and demand, and given data, construct the curves.
- Using supply and demand curves, determine price and quantity under conditions of market surplus, shortage, and equilibrium.
- Given an event affecting supply or demand, use the basic model to analyze the effect on equilibrium price and quantity, and further analyze the significance of price elasticity on equilibrium price and quantity.

2. Apply the basic theory to examine the effect of different elasticities and government regulations on the market.

Potential Elements of the Performance:

- Given a graph, analyze the effect of the imposition of any one of the following: Tax, Subsidy, Price floor, Price ceiling
- Given data, calculate price, cross, or income elasticity, and based on the calculated elasticity, state the particular characteristic of the good
- Given data, including elasticity, determine the effect on sales.

3. Understand the derivation of the demand curve.

Potential Elements of the Performance:

- Given utility data, construct the demand schedule or curve and determine the consumers' surplus associated with a particular price and/or quantity.

- Given utility data, determine a budget allocation and the marginal utility of money in equilibrium.
 - Given a set of indifference curves, analyze the effect of a change in price or income, including the construction of a demand schedule.
4. Understand the production and cost functions underlying the supply curve.

Potential Elements of the Performance:

- Given data, calculate and graph the TP, AP, and MP curves.
 - Given data, calculate and graph TFC, TVC, TC, AFC, AVC, ATC, and MC.
5. Understand the market behavior of a firm in perfect competition.

Potential Elements of the Performance:

- Given cost curves for a firm in perfect competition, determine the price, output, and profit (loss) relationships, and analyze the price and quantity changes as the industry moves to equilibrium.
 - Given a graph of the LAC and an SAC, use the graph to explain how a firm can be efficient (inefficient) in the short run but inefficient (efficient) in the long run, and the situation when the firm is efficient in both the long and the short run; sketch in the appropriate SMC and LMC curves (time permitting).
 - Recognize where the perfect competition model is appropriate to use.
6. Understand the market behaviour of a monopolist.

Potential Elements of the Performance:

- Given a demand schedule, calculate TR and MR, and graph AR and MR curves.
 - Given cost curves and AR, determine the monopolist's output, price, and profit (loss); determine society's optimal output and price, and the monopolist's profit (loss).
 - Recognize where the monopoly model is appropriate to use.
7. Understand the market behaviour of a firm in monopolistic competition.

Potential Elements of the Performance:

- Given ATC, MC, and AR curves for a firm in monopolistic competition, determine price, output, and profit (loss) of the firm.
- Explain the long run adjustment and illustrate graphically.
- Recognize where the monopolistic competition model is appropriate to use.

8. Understand the market behaviour of firms in oligopolistic markets.

Potential Elements of the Performance:

- Explain the shape of the kinked demand curve and how it explains price rigidity; given a kinked demand curve, state the price and output associated with a given MC.
- Given market demand, MC of dominant firm, and summed MC for all other firms, construct the AR and MR for the dominant firm, and determine the price set by the dominant firm and the market shares of it and all other firms (time permitting).
- Explain oligopoly behavior, using games theory and the flat AVC curve.
- Discuss non-price competition and the instability of cartels; price differentiation and discrimination.
- Given a market situation, choose a model to explain the market behavior.

9. Understand the behaviour of a firm in various input markets.

Potential Elements of the Performance:

- Given data, calculate and graph a VMP or MRP curve and state the quantity of labor hired at a specified wage.
- Given the requisite curves, determine the wage rate and quantity of labor hired in each of the four market situations and illustrate exploitation; use the curves to suggest and explain possible union behavior.
- Given the requisite curves, explain the behavior of the monopolist and monopolist under bilateral monopoly conditions as regards price and output.
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III. TOPICS:

1. The Economic Problem/ Introduction to Demand and Supply: Chapter 1 & 2
2. Demand and Supply: An Elaboration: Chapter 3
3. Elasticity: Chapter 4
4. Consumer Choice: Chapter 5
5. Production Decisions and Costs: Chapter 6
6. Perfect Competition: Chapter 8
7. Monopoly: Chapter 10
8. Imperfect Competition: Chapter 11
9. The Factors of Production: Chapter 12

IV. REQUIRED RESOURCES/TEXTS/MATERIALS

Sayre, J.E., et al. Principles of Microeconomics with Connect Access, Eighth Canadian Edition. McGraw-Hill Ryerson, 2015. ISBN 9781259104794.

V. EVALUATION PROCESS/GRADING SYSTEM:

Exam #1: Chapters 1, 2, 3, 4	34% of final grade
Exam #2: Chapters 5, 6, 8	33% of final grade
Exam #3: Chapters 10, 11, 12	<u>33%</u> of Final grade
Total	100%

Missed exams will be assigned a grade of **zero**.

There will be no re-writes of missed Exams.

The following semester grades will be assigned to students:

Grade	<u>Definition</u>	<i>Grade Point Equivalent</i>
A+	90 – 100%	4.00
A	80 – 89%	3.00
B	70 - 79%	2.00
C	60 - 69%	1.00
D	50 – 59%	0.00
F (Fail)	49% and below	
CR (Credit)	Credit for diploma requirements has been awarded.	
S	Satisfactory achievement in field /clinical placement or non-graded subject area.	
U	Unsatisfactory achievement in field/clinical placement or non-graded subject area.	
X	A temporary grade limited to situations with extenuating circumstances giving a student additional time to complete the requirements for a course.	
NR	Grade not reported to Registrar's office.	
W	Student has withdrawn from the course without academic penalty.	

If a faculty member determines that a student is at risk of not being successful in their academic pursuits and has exhausted all strategies available to faculty, student contact information may be confidentially provided to Student Services in an effort to offer even more assistance with options for success. Any student wishing to restrict the sharing of such information should make their wishes known to the coordinator or faculty member.

VI. SPECIAL NOTES

Attendance:

Sault College is committed to student success. There is a direct correlation between academic performance and class attendance; therefore, for the benefit of all its constituents, all students are encouraged to attend all of their scheduled learning and evaluation sessions. This implies arriving on time and remaining for the duration of the scheduled session. *It is the departmental policy that once the classroom door has been closed, the learning process has begun. Late arrivers will not be granted admission to the room.*

Students are expected to attend all scheduled classes. Attendance will be taken for each class on a sign in basis. In all cases, attendance of less than 80% of the scheduled classes is not acceptable.

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.

Food is **not allowed** in the classroom. Beverages can be brought to the classroom.

Cell Phones must be turned off during class time. If a student does not follow this policy they will be asked to leave the classroom.

Electronic devices used to record instruction are not allowed in the classroom with the exception of issues related to accommodations of disability. Formal accommodation documentation must be provided by the student from the Disability Services Department prior to requesting the recording of instruction.

Contact Information:

Email: john.cavaliere@saultcollege.ca

Phone: 759-2554 Ext# 2764

Office: M2010 (Office Hours by appointment)

COURSE OUTLINE ADDENDUM

1. Course Outline Amendments:
The faculty member reserves the right to change the information contained in this course outline depending on the needs of the learner and the availability of resources.
2. 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.
3. Prior Learning Assessment:
Students who wish to apply for advance credit transfer (advanced standing) should obtain an Application for Advance Credit from the program coordinator (or the course coordinator regarding a general education transfer request) or academic assistant. Students will be required to provide an unofficial transcript and course outline related to the course in question. Please refer to the Student Key Dates Calendar for the deadline date by which application must be made for advance standing.

Credit for prior learning will also be given upon successful completion of a challenge exam or portfolio. Student Services can provide information regarding the Prior Learning Assessment and Recognition policy or it can be viewed on the student portal.

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

4. Student Portal:
The Sault College portal allows you to view all your student information in one place. **mysaultcollege** gives you personalized access to online resources seven days a week from your home or school computer. Single log-in access allows you to see your personal and financial information timetable, grades, records of achievement, unofficial transcript, and outstanding obligations. In addition announcements, news, academic calendar of events, class cancellations, your learning management system (LMS), and much more is available. Go to <https://my.saultcollege.ca>.
5. Communication:
The College considers **Desire2Learn (D2L)** 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 this Learning Management System (LMS) communication tool.

6. Accessibility Services:

If you are a student with a disability (e.g. physical limitations, visual impairments, hearing impairments, or learning disabilities), you are encouraged to discuss required accommodations with the Accessibility Services office. Call Ext. 2703 or email studentsupport@saultcollege.ca so that support services can be arranged for you.

7. Audio and Video Recording Devices in the Classroom:

Students who wish to use electronic devices in the classroom will seek permission of the faculty member before proceeding to record instruction. Students with disabilities who require audio or visual recording devices in the classroom as an accommodation will receive approval from their counsellor once the Audio and Video Recording Devices in the Classroom Policy has been reviewed by the student. Recorded classroom instruction will be used only for individual academic use and will not be used for any other purpose. Recordings may only be used for individual study of materials presented during class and may not be published or distributed. Intentional misuse of audio and video recordings or intentional misrepresentation when requesting the use of a device for recording shall constitute a violation of this policy and laws protecting intellectual property.

8. Academic Dishonesty:

Students should refer to the definition of “academic dishonesty” in the *Student Code of Conduct*. Students who engage in academic dishonesty will be issued a sanction under the Student Code of Conduct which could lead to and include expulsion from the course/program. In order to protect students from inadvertent plagiarism, to protect the copyright of the material referenced, and to credit the author of the material, students must use a documentation format for referencing source material.

9. Tuition Default:

Students who have defaulted on the payment of tuition) as of the first week of November (fall semester courses), first week of March (winter semester courses) or first week of June (summer semester courses) will be removed from placement and clinical activities due to liability issues. This may result in loss of mandatory hours or incomplete course work. Sault College will not be responsible for incomplete hours or outcomes that are not achieved or any other academic requirement not met as of the result of tuition default. Students are encouraged to communicate with Financial Services with regard to the status of their tuition prior to this deadline to ensure that their financial status does not interfere with academic progress.