

SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

SAULT STE. MARIE, ONTARIO



COURSE OUTLINE

COURSE TITLE: Microeconomics

CODE NO. : ECN203 **SEMESTER:** 4

PROGRAM: Accounting

AUTHOR: Dan Kachur

DATE: Jan 2016 **PREVIOUS OUTLINE DATED:** None

APPROVED: "Colin Kirkwood" Jan 2016

DEAN **DATE**

TOTAL CREDITS: 3

PREREQUISITE(S): None

HOURS/WEEK: 16 weeks – 3 hours per week

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I. COURSE DESCRIPTION:

Participants in this course will study the market behavior of individual consumers and firms. This course focuses on the concepts of supply and demand, and the determination of price and output within markets of buyers and sellers. This is a contrast to Macroeconomics, which concentrates on the national picture of economic policies.

II. LEARNING OUTCOMES AND ELEMENTS OF THE PERFORMANCE:

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

1. Define EconomicsPotential Elements of the Performance:

- Describe the relevance of Economics
- Contrast Macro vs. Micro Economics
- Identify resources and factors that influence economics
- Explain the 4 types of economies
- Illustrate the effects of economic growth

2. Define Supply and DemandPotential Elements of the Performance:

- Explain supply and demand
- Create supply and demand curve charts
- Examine market equilibrium
- Describe how the market reacts to demand surplus
- Identify factors that change product / service demand
- Identify the results of increased demand
- Identify determinants that change supply

3. Elaborate on Supply and Demand marketsPotential Elements of the Performance:

- Explain how supply and demand affect markets
- Explain how markets work
- Define ceiling and floor pricing controls
- Discuss minimum wage and affects in the market

4. Explain Elasticity

Potential Elements of the Performance:

- Define the inverse relationship between price and quantity
- Define Price elasticity on demand
- Illustrate the effects of elasticity coefficient
- Contrast elastic vs. inelastic demand
- Discuss and calculate unitary elasticity
- Graph price elasticity
- Explain the determinants of price elasticity on demand
- Define and calculate excise tax

5. Describe Consumer Choice

Potential Elements of the Performance:

- Explain the law of diminishing marginal utility
- Define 'Optional purchasing rule'
- Discuss the marginal utility theory
- Provide rationale for downward demand curves
- Explain and calculate the concept of consumer surplus
- Identify and provide examples of price discrimination

6. Define Business Decisions and Short-Term Costs

Potential Elements of the Performance:

- Contrast explicit and implicit costs
- Calculate sunk costs
- Contrast total, marginal and average product
- Contrast fixed vs. variable costs
- Explain and calculate increased productivity examples
- Identify corporate and small business cost cutting
- Diagram the effects of surplus capacity

7. Define Business Decisions and Long-Run Costs

Potential Elements of the Performance:

- Distinguish between short-term vs. long-run
- Define and demonstrate constant returns to scale
- Explain and calculate economies of scale
- Define increasing returns to scale
- Describe and elaborate on diseconomies of scale
- Discuss decreasing returns to scale

8. Explain Perfect Competition

Potential Elements of the Performance:

- Distinguish among a firm, an industry and a market
- Explain and calculate perfect competition
- Identify and calculate 2 approaches to maximizing profits
- Explain, calculate and diagram breakeven price
- Define shutdown price
- Explain how a firm's supply curve is derived
- Explain the effect of change in market supply and demand

9. Evaluate Competitive Markets:

Potential Elements of the Performance

- Explain how competitive markets encourage technological improvements
- Explain the benefits of perfectly competitive markets
- Recount the five reasons perfect competition might fail to achieve desired results
- Describe how governments try to deal with external costs, such as pollution
- Explain how governments try to encourage production of goods and services, such as education, that carry external benefits

10. Define Monopoly

Potential Elements of the Performance:

- Explain how monopolies come into existence
- Describe how the profit-maximizing output and price are determined for a monopolist
- Explain five grounds of which monopolies can be criticized
- Explain the significant difference between monopoly and perfect competition
- Explain three grounds of which monopolies can be defended
- Discuss ways that government can change ways the behavior of monopolies

11. Describe Imperfect Competition

Potential Elements of the Performance:

- Explain the importance and effects of product differentiation including advertising
- Differentiate between the two types of imperfect competition
- Explain why monopolistically competitive firms tend to have excess capacity and are unlikely to earn long-run economic profits
- Describe the main characteristics of oligopoly markets
- Explain why large firms are tempted to collude and form cartels
- Explain price leadership and why large firms are reluctant to change prices very often

12. Identify the factors of Production

Potential Elements of the Performance:

- Demonstrate that the demand for labour depends on the productivity of labour
- Describe other important factors operating in the labour market
- Explain why factors that are highly inelastic in supply require special analysis
- Explain why the demand for capital goods depends on the productivity of capital goods
- Explain views on the ultimate source of profits

III. TOPICS:

1. Economics Defined
2. Supply and Demand
3. Supply and Demand Markets
4. Elasticity
5. Consumer Choice
6. Short-Term Business Decisions
7. Long-Term Business Decisions
8. Perfect Competition
9. Competitive Markets
10. Monopoly
11. Imperfect Competition
12. Production

IV. REQUIRED RESOURCES/TEXT/MATERIALS:

Textbook: Principles of Microeconomics – Sayre / Morris – 8th Edition
ISBN: 1259030687 – McGraw Hill

V. EVALUATION PROCESS/GRADING SYSTEM:

| | |
|------------------------------|-----|
| Tests | 60% |
| Assignments | 30% |
| Participation and Attendance | 10% |

Assignments will be handed out weekly or bi-weekly. Lectures will match the delivery of lab material. There are three tests scheduled in this course and will be administered every 5 weeks.

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 | 49% or below | 0.00 |
| CR (Credit) | Credit for diploma requirements has been awarded. | |
| 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 limited to situations with extenuating circumstances giving a student additional time to complete the course without academic penalty | |
| NR | Grade not reported to Registrar's office. | |
| W | Student has withdrawn from the course without academic penalty | |

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.

Students are expected to attend all scheduled classes. Attendance will be taken for each class on a sign in basis starting shortly after the semester begins. Students will be advised when the process is to begin.

In all cases, attendance of less than 80% of the scheduled classes is not acceptable.

Submitting Assigned Work:

All assignments, projects, questions, etc. must be submitted to the professor at the beginning of class on the due date. Assignments may be submitted in advance. Assignments will not be accepted after the stated deadline.

It is the student's responsibility to ensure that the professor receives the completed assignments by the due date. Do not place the assignment in the professor's mailbox. Assignments must be submitted directly to the professor as indicated in the assignment criteria.

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.

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.

If a student is asked to leave the classroom a second time, he/she must make an appointment with the Dean who will decide if the student will be permitted to return to class. The Dean will be given a copy of the above letter. The Dean will also decide if any other action needs to be taken.

Students attending this class do so to study Entrepreneurship. 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.

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

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 who are properly registered in this course or those invited by the professor are permitted in the classroom.

VII. COURSE OUTLINE ADDENDUM**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.

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.

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 Academic Calendar of Events 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.

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

Disability 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 your professor and/or the Disability Services office. Visit Room E1101 or call Extension 2703 so that support services can be arranged for you.

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.

Plagiarism:

Students should refer to the definition of “academic dishonesty” in *Student Code of Conduct*. 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.

Tuition Default:

Students who have defaulted on the payment of tuition (tuition has not been paid in full, payments were not deferred or payment plan not honoured) as of the first week of November 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.

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 to announcements, news, academic calendar of events, class cancellations; you're learning management system (LMS), and much more. Go to <https://my.saultcollege.ca>.

Electronic 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. With the exception of issues related to accommodations of disability, the decision to approve or refuse the request is the responsibility of the faculty member. Recorded classroom instruction will be used only for personal use and will not be used for any other purpose. Recorded classroom instruction will be destroyed at the end of the course. To ensure this, the student is required to return all copies of recorded material to the faculty member by the last day of class in the semester. Where the use of an electronic device has been approved, the student agrees that materials recorded are for his/her use only, are not for distribution, and are the sole property of the College.