

JEFFERSON COLLEGE

COURSE SYLLABUS

ECO102

MICROECONOMICS

3 Credit Hours

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Minor Revision or Update by: Fran Moore
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ECO102 Microeconomics

I. CATALOGUE DESCRIPTION

- A. Course prerequisites: Reading proficiency
- B. 3 semester credit hours
- C. Microeconomics is an introductory survey of economic principles relating to individuals, firms and markets. It includes the study of the interaction between supply and demand of a service or product in which equilibrium market prices are determined, the concept of opportunity costs, the concept of elasticity, how consumers make decisions, how profit-maximizing firms make production choices, and different types of competition. (F, S, Su)
- D. Curricular alignment:
- Fulfills part of Social & Behavioral Sciences CORE requirement AA, AS and select AAS degrees; MOTR ECON102 Introduction to Microeconomics equivalent.
 - Elective course applies toward AA or AAT degree.
 - AAS – Accounting elective course applies toward elective certificate/degree requirement.

II. EXPECTED LEARNING OUTCOMES/CORRESPONDING ASSESSMENT MEASURES

Expected Learning Outcomes	Assessment Measures
Demonstrate a command of the basic vocabulary needed to understand how individual consumers and private businesses behave in the marketplace	Class discussions Quizzes Final exam Vocabulary section
Demonstrate using graphs and tables how individual consumers and private businesses determine prices and quantities of goods and services in the marketplace	In-class exercises Homework assignments Quizzes In-class exams
Recognize how the various forms of business structures operate in a market economy	Quizzes In-class exams Final exam
Recognize how market or government action will help solve society's microeconomic problems using various tools, such as graphs and calculations to analyze problems that arise in a market economy	Class discussion Take-home exams In-class exams Final exam
Integrate information read in the textbooks and heard in class discussion with information read and heard in current news media	Class discussions Take-home exams

III. OUTLINE OF TOPICS

A. Graphs

1. Direct relationship as plotted on a graph between two variables (such as price and quantity supplied)
2. Inverse relationship as plotted on a graph between two variables (such as price and quantity demanded)

B. Demand

1. The Law of Demand and how changes in price affect the behavior of buyers
2. The forces (price, taste, etc.) that cause buyers to purchase goods and services
3. Changes in price versus changes in other determinants (taste, income, etc.) as shown on a demand curve

C. Supply

1. The law of supply and how changes in price affect the behavior of sellers
2. The forces (price, technology, etc.) that cause sellers to produce goods and services
3. Changes in price versus changes in other determinants (technology, cost of inputs, etc.) as shown on a supply curve

D. Equilibrium in a market system

1. Graph of the supply and demand model and how the equilibrium prices and quantities are determined in a market economy
2. Changes in the marketplace if a price is below or above the equilibrium price and quantity.
3. The effect of a price ceiling in terms of price and quantity of the product on a good or service (such as rent control)
4. The effect of a price floor in terms of price and quantity of the product on a good or service (such as the minimum wage law).

E. Elasticity

1. Elastic demand and inelastic demand
2. Calculation of elasticity of demand from price and quantity data
3. The range for elasticity of demand from perfectly inelastic goods to perfectly elastic goods
4. The determinants of elasticity of demand.
5. The relationship between elasticity of demand and total revenue given price changes in the good or service.
6. The application of knowledge of elasticity of demand to analyze the relative burden of an excise tax on consumers and producers
7. Forms of elasticity coefficient such as the elasticity of supply, income and cross elasticity of demand

F. The marketplace

1. Market economy and how it determines what to produce, how to produce (methods of production) and for whom to produce
2. Market failures and the effect of monopoly power, externalities, and the

- production of public goods
 - 3. The managed floating exchange rate system
 - 4. Fixed exchange rate systems versus flexible exchange rate systems
 - 5. The determinants of exchange rates between countries
 - 6. The effects of a "strong dollar" versus a "weak dollar" in a country's economy
- G. The costs of production
- 1. The difference between explicit costs versus implicit costs of running a business
 - 2. The difference between fixed costs versus variable costs of running a business
 - 3. Comparison of a short run business decision versus a long run business decision
 - 4. The point of diminishing marginal returns given variable input and total output data
 - 5. The shapes of the average variable cost curve, the average fixed cost curve, the marginal cost curve, and the average total cost curve
 - 6. The shape of the marginal physical product curve and the marginal cost curve
 - 7. The factors leading to economies and diseconomies of scale in the production of a good or service
 - 8. The shape of the long run average cost curve
- H. An introduction to market structures
- 1. Criteria used to distinguish between the market structures
 - 2. Comparison of the four market structures: perfect competition; monopoly; monopolistic competition; and oligopoly
- I. Perfect competition
- 1. The characteristics of perfect competition
 - 2. How perfectly competitive firms determine: how much to produce; if the firm makes a profit or loss; and if the firm is making a loss, should it shut down or continue to produce
 - 3. The criteria perfect competitors use to decide to expand or contract in the long run
- J. Monopoly
- 1. The characteristics of monopolist
 - 2. How monopolist firms determine: how much to produce; if the firm makes a profit or loss; and if the firm is making a loss, should it shut down or continue to produce
 - 5. The criteria monopolists use to decide to expand or contract in the long run
- K. Monopolistic competition
- 1. The characteristics of a monopolistic competitor
 - 2. How monopolistically competitive firms determine: how much to produce; if the firm makes a profit or loss; and if the firm is making a loss, should it shut down or continue to produce
 - 3. The criteria monopolistic competitors use to decide to expand or contract in the long run

- L. Oligopo
 - 1. The characteristics of an oligopolist
 - 2. How oligopolistic firms determine: how much to produce; if the firm makes a profit or loss; and if the firm is making a loss, should it shut down or continue to produce
 - 3. The criteria oligopolists use to decide to expand or contract in the long run

- M. International trade
 - 1. Comparison of the absolute advantage and comparative advantage as a basis for trade individuals and nations
 - 2. Comparison of the case a for free trade policy versus the case against a free trade policy
 - 3. Reasons for the rise in the U.S. trade deficit since 1980

- N. International finance
 - 1. The advantages and disadvantages of the fixed exchange rate gold standard
 - 2. The managed floating exchange rate system
 - 3. Comparison of the fixed exchange rate systems versus flexible exchange rate systems
 - 4. The determinants of exchange rates between countries
 - 5. The effects of a "strong dollar" versus a "weak dollar" in a country's economy

IV. METHODS OF INSTRUCTION

- A. Lecture/class discussion
- B. Class discussion: the news and economic principles
- C. Handouts
- D. Data (trade deficits over time, elasticity, etc.)
- E. Multi-media presentations: websites, articles online, video, and PowerPoints

V. REQUIRED TEXTBOOK

Slavin, S. L. (2011). *Economics* (10th ed.). New York: McGraw-Hill/Irwin.

VI. REQUIRED MATERIALS

Course lecture/study guide (prepared by the instructor)

VII. SUPPLEMENTAL REFERENCES

- A. Newspaper and magazine articles
- B. Data, articles, and blogs from the internet

VIII. METHODS OF EVALUATION

- A. Exams: multiple choice and essay
- B. Take home exams: Material from the news and the textbook, fill-in-the-blank, and short essay
- C. Quizzes: multiple choice, fill-in-the-blank, vocabulary, graphing and calculations

IX. ADA AA STATEMENT

Any student requiring special accommodations should inform the instructor and the Coordinator of Disability Support Services (Library; phone 636-481-3169).

X. ACADEMIC HONESTY STATEMENT

All students are responsible for complying with campus policies as stated in the Student Handbook (see College website, <http://www.jeffco.edu>).

XI. ATTENDANCE STATEMENT

Regular and punctual attendance is expected of all students. Any one of these four options may result in the student being removed from the class and an administrative withdrawal being processed: (1) Student fails to begin class; (2) Student ceases participation for at least two consecutive weeks; (3) Student misses 15 percent or more of the coursework; and/or (4) Student misses 15 percent or more of the course as defined by the instructor. Students earn their financial aid by regularly attending and actively participating in their coursework. If a student does not actively participate, he/she may have to return financial aid funds. Consult the College Catalog or a Student Financial Services representative for more details.

XII. OUTSIDE OF CLASS ACADEMICALLY RELATED ACTIVITIES

The U.S. Department of Education mandates that students be made aware of expectations regarding coursework to be completed outside the classroom. Students are expected to spend substantial time outside of class meetings engaging in academically related activities such as reading, studying, and completing assignments. Specifically, time spent on academically related activities outside of class combined with time spent in class meetings is expected to be a minimum of 37.5 hours over the duration of the term for each credit hour.