



Course Syllabus

Course #: ECO 2020 Course Name: Microeconomics

Division: Arts and Sciences

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Class Days: Class Time:
Location: Classroom: Laboratory:
Credit Hours: 3 Contact Hours: 3 Lab Hours: 0 Lecture Hours: 3

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Instructor: Office Location:
Phone: Email Address:
Office Hours:
Division Office/Location: A200 Division Fax: 419-355-1248
Full-time Contact Person: Taylor Phone(s): 419-334-8400 x 2302

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Course Description:

Microeconomics is a study of economic theory from the perspective of the individual or individual business firm. Microeconomic ideas such as elasticity, utility and diminishing returns as well as an examination of different market systems. Special focus is placed on profit maximization and the relationship between marginal costs and marginal revenue.

Prerequisite(s): None

Corequisite(s): None

Entry Level Skills and Knowledge:

College Level Reading and Writing

Required Texts, Supplies and Equipment:

Boyes and Melvin. Microeconomics, 6th. Boston and New York, Houghton Mifflin 2005.

Web Resources: http://economics.college.hmco.com/students

Grading:

- A 100-90%
B 89-80%
C 79-70%
D 69-60%
F 59% or less

## **Learning Outcomes:**

1. Understand how economics is a social science that draws conclusions based on hypotheses, theories, and data in order to understand human behavior.
2. Understand basic microeconomics terms and concepts, including scarcity and choice, equilibrium, efficiency and equity, positive and normative economics, comparative advantage, and specialization
3. Understand the fundamental economic question of allocating scarce resources
4. Comprehend the concepts of opportunity cost and the production possibility frontier
5. Comprehend supply and demand, the function of prices in markets, and how markets work and sometimes don't work, for example market failure and externalities
6. Comprehend how consumers make choices
7. Comprehend production theory
8. Comprehend production theory
9. Comprehend the costs of production
10. Comprehend firm behavior in competitive markets
11. Comprehend firm behavior in imperfect markets
12. Comprehend elasticity and its application
13. Comprehend how the markets for resources operate and the determination of wage rates, interest, and rent
14. Understand the determination of income distribution, including poverty and discrimination
15. Comprehend the determinants of international trade flows
16. Apply economic reasoning to better understand and critically evaluate real world circumstances and events

## **General Education**

1. Evaluate arguments in a logical fashion
2. Employ the methods of inquiry characteristic of natural sciences, social sciences, mathematics, and the arts and humanities

## **Assessment of Student Learning:**

This course may include a project that is one of several that will be used by faculty to assess student academic performance in the program. A panel of faculty will review all (projects or whatever assessment activity you are doing), then assess and summarize the academic performance of students at this point in the program. The results of this assessment will be shared among the department faculty, used to identify needed changes or improvements, and submitted to the Student Academic Assessment Committee as part of the college's overall student academic assessment effort.

Assessment Project and Measurement in course (if any):

None

## Plan of Work:

| Session | Date | Activities   |
|---------|------|--|
| 1       |      | Welcome and introductions. <i>What in the world did you just get yourself into? Why study economics?</i> Defining economics, and the economic approach.  |
| 2       |      | <b>Video: Scarcity.</b> Working with graphs. Reading graphs, constructing graphs, slope, positive and negative relationships.  |
| 3       |      | Resources, specialization, and comparative advantage. Opportunity cost, specialization and trade. Alaska Lands Act, Brown Lung Disease, Guns and Butter. Comparative advantage.  |
| 4       |      | Markets, demand and supply. The pricing system. Markets, demand, supply, and equilibrium. Supply and demand shifters. Consumer sovereignty.  |
| 5       |      | The public sector. The circular flow of money, the role of government in the market system. Overview of the United States government and centrally planned economies.  |
| 6       |      | Elasticity: demand and supply. Total revenue and price elasticity of demand. The use of price elasticity of demand. The existence of substitutes. <i>What does the price of gas have to do with the demand for big SUVs?</i> |
| 7       |      | Utility and consumer choice. Law of diminishing marginal utility. <i>Why stop eating at an all you can eat buffet?</i>   |
| 8       |      | <b>Test #1: Introduction to the Price System and Elasticity</b>  |
| 9       |      | <b>Essay #1: Dumping.</b> Indifference analysis, indifference curves. <i>Why can't Indifference curves cross?</i>  |
| 10      |      | Supply and the cost of doing business. Law of diminishing marginal returns. The relationship between output and resources.   |
| 11      |      | Economies of scale and the long-run cost curves. The reasons for economies and diseconomies of scale. Marginal revenue and marginal costs.   |
| 12      |      | Defining perfect competition, profit maximization. Short-run break even and shutdown price. <i>What does it mean to be a price taker anyway?</i> Short-run vs. long-run analysis.  |
| 13      |      | Monopoly power, the definition of monopolies, and types of monopolies. Profit maximization and price change. Theory of price discrimination. Comparing perfect competition and   |

monopolies.

14 Monopolistic competition and oligopolies. Profits and market entry. Monopolistic competition vs. perfect competition. Cartels and collusion.

15 **Video: Market Structures**

16 Antitrust laws and regulation. Deregulation and privatization in the United States. Regulation and deregulation in other countries.

17 Multinationals, international regulation, GATT and WTO. The SEC, Sarbanes-Oxley Act. Externalities and market failures. The Coase Theorem.

18 Private property rights, public goods, the asymmetric information issue.

19 **Test #2: Product Market Basics and Profit Maximization**

20 **Essay #2 The role of the OPEC cartel**

21 Resource markets. *How do firms decide what resources to buy?* Individual firm demand: marginal revenue product.

22 The labor market. Labor leisure tradeoff, wage differentials. Theories of discrimination, occupational segregation, and CEO compensation. Anti-discrimination Laws

23 Financial markets, stock exchanges, reading a stock table. Equity markets, fraud and creative accounting. Bond market.

24 Land markets and natural resources. Land, nonrenewable resources, and renewable resources.

25 Aging social security and health care. Future of Social Security, HMOs and PPOs. *Do the Laws of Economics apply to Health Care?*

26 Income distribution, poverty, and government policy. Measures of income inequality, poverty. Definitions of poverty, tax policy.

27 **Essay #3: If Social Security survives, what's it going to look like when I get there?** Effectiveness of welfare programs. The negative income tax and family allowance plans. World income distribution and foreign aid.

28

**Test #3: Resource Markets**

29

**Finals Week**

30

**Finals Week**

**Course Requirements:**

|                      |                   |
|----------------------|-------------------|
| 3 Tests              | 300 points        |
| 3 Essays             | 150 points        |
| <u>Participation</u> | <u>100 points</u> |
| Total                | 550 points        |

**Policies**

**Course Withdrawing:** If for any reason you need to withdraw from this course, be certain that you do so according to College procedure. It is your responsibility to know and follow this procedure. If you simply stop coming to class, without officially withdrawing from the course, your grade is an automatic “F.” Please follow official College procedure for withdrawing from this or any course.

*College Academic Policies are located in the College Catalog. A copy of the current catalog may be picked up in any of the division offices or admissions. The list of college policies is also available online at <https://www.terra.edu/register/Collegecat/policies.asp>.*

**Support Services:** The College offers a number of support services to assist in your success in this course and all courses. Among these services are the Writing & Math Center in B105, the Office of Learning Support Services, which coordinates the campus disability services and tutoring programs, the computer labs, and the computers in the atriums.

Any student who feels he/she may need an accommodation based on the documentation of a disability should contact the Office of Learning Support Services privately to discuss his/her specific issues. Please contact the OLSS at (419) 334-8400 X 208 or visit 100 Roy Klay Hall (Building A) to coordinate reasonable accommodations.

***If you have a documented disability and are receiving academic accommodations through the Office of Learning Support Services, please schedule a meeting with your instructor in a timely manner so that we may discuss how these services will be arranged.***

Tutoring services are available to students beginning the second week of every quarter. Students requesting tutoring services should obtain a tutor request form from the OLSS in 100 Roy Klay Hall (Building A) or online at the Terra website. Please note that instructor verification and acceptance of the Student Learner Agreement is necessary for all tutoring requests. All requests should be submitted to 100 Roy Klay Hall (Building A).