

**Course Number/Title:** EC277-Principles of Microeconomics      **Year:** Summer Fall 2012

**Department:** Business and Technology

**Credit Hours:** 3

**Required Text:** McConnel, C. & Brue, S. (2008). *Economics*,

(19th ed.) New York, NY: McGraw-Hill.

**Days/Time:** MW 1:40-2:55

**Instructor:** Bradley Bennett

**Room#:** BMC 70

**Office Hours:** As posted outside my office door.

**Phone #:** 460-5526

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**Course Placement:** Sophomore

**Prerequisite:** None

## RATIONALE

EC 277 Principles of Microeconomics is an introductory course and will focus on the decisions of households and business firms. The course is generally considered to be one of the core curriculum courses for students majoring in any of the areas of business or accounting. It also counts as a social/behavior science requirement for graduation purposes and for the transfer and articulation agreement. More than ever before it is clear that people who comprehend economic principles will be better able to make sense of the emerging world and have an advantage functioning in it.

## COURSE DESCRIPTION

EC 277 Principles of Microeconomics is an introductory course to the nature and methods of economics. Emphasis is placed on microeconomics. Topics covered include the global economy, the theory of demand and supply, elasticity, utility, costs of production, analysis of different market structures, price and output determination in pure competition, pure monopoly, monopolistic competition and oligopoly.

## COURSE OUTLINE

- I. An Introduction to Economics and the Economy
  - A. Limits, Alternatives, and Choices
  - B. The Market System and the Circular Flow

- II. Price, Quantity, and Efficiency
  - A. Demand, Supply, and Market Equilibrium
  - B. Elasticity
  - C. Market Failures: Public Goods and Externalities
- III. Microeconomics of Product Markets
  - A. Consumer Behavior
  - B. Businesses and the Costs of Production
  - C. Pure Competition in the Short Run
  - D. Pure Competition in the Long Run
  - E. Pure Monopoly
  - F. Monopolistic Competition and Oligopoly

### **COURSE LEARNING OUTCOMES ASSESSED**

1. Evaluate philosophical premises underpinning the American Economic system.
2. Analyze the role which demand and supply plays in determining the price of products and resources.
3. Evaluate the theory of consumer behavior.
4. Appraise the operation of different types of market structures in the U.S. economy.
5. Analyze the U.S. role in the global economy.

### **COURSE COMPETENCIES**

1. The definition of economics and the features of the economic perspective.
2. The role economic theory in economics.
3. The distinction between microeconomics and macroeconomics.
4. The categories of scarce resources and the nature of the economizing problem.
5. About production possibilities analysis, increasing opportunity costs, and economic growth.
6. The difference between a command system and a market system.
7. The main characteristics of the market system.
8. How the market system decides what to produce, how to produce it, and who obtains it.

9. How the market system adjusts to change and promotes progress.
10. The mechanics of the circular flow model.
11. What demand is and what affects it.
12. What supply is and what affects it.
13. How supply and demand together determine market equilibrium.
14. How changes in supply and demand affect equilibrium prices and quantities.
15. What government-set prices are and how they can cause product surpluses and shortages.
16. Important facts about U.S. households and U.S. businesses.
17. Why the corporate form of business organization dominates sales and profits.
18. The problem that arises when corporate owners (principals) and their managers (agents) have different interests.
19. About the economic role of government in the economy.
20. The categories of government spending and the sources of government revenues.
21. Some key facts about U.S. international trade.
22. About comparative advantage, specialization, and international trade.
23. How exchange rates are determined in currency markets.
24. How and why government sometimes interferes with free international trade.
25. The role played by free-trade zones and the World Trade Organization (WTO) in promoting international trade.
26. About price elasticity of demand and how it can be applied.
27. The usefulness of the total revenue test for price elasticity of demand.
28. About price elasticity of supply and how it can be applied.
29. About cross elasticity of demand and income elasticity of demand.
30. About consumer surplus, producer surplus, and efficiency losses.
31. About total utility, marginal utility, and the law of diminishing marginal utility.

32. How rational consumers compare marginal utility-to-price ratios for products in purchasing combinations of products that maximize their utility.
33. How a demand curve can be derived by observing the outcomes of price changes in the utility-maximizing model.
34. How the utility-maximization model helps highlight the income and substitution effects of a price change.
35. Why economic costs include both explicit (revealed and expressed) costs and implicit (present but not obvious) costs.
36. How the law of diminishing returns relates to a firm's short-run production costs.
37. The distinctions between fixed and variable costs and among total, average, and marginal costs.
38. The link between a firm's size and its average costs in the long run.
39. The names and main characteristics of the four basic market models.
40. The conditions required for purely competitive markets.
41. How purely competitive firms maximize profits or minimize losses.
42. Why the marginal-cost curve and supply curve of competitive firms is identical.
43. How industry and exit produce economic efficiency.
44. The differences between constant-cost, increasing-cost, and decreasing-cost industries.
45. How long-run competitive equilibrium results in economic efficiency.
46. The characteristics of pure monopoly.
47. How a pure monopoly sets its profit-maximizing output and price.
48. About the economic effects of monopoly.
49. Why a monopolist might prefer to charge different prices in different markets.
50. The characteristics of monopolistic competition.
51. Why monopolistic competitors earn only a normal profit in the long run.
52. The characteristics to oligopoly.
53. How game theory relates to oligopoly.

54. Why the demand curve of an oligopolistic may be kinked.
55. The incentives and obstacles to collusion among oligopolistic.

### **METHOD OF INSTRUCTION**

This course will be taught primarily through the lecture/discussion method of instruction. Extensive use will be made of the dry-erase board, overhead projector, PowerPoint presentations, Prezi, and videos. Many group and individual projects will be assigned both inside and outside of the class. Assigned material is to be read before class, and students are expected to arrive prepared to participate in class discussions.

### **METHOD OF EVALUATION**

Exams	60%
Assignments/Projects	30%
Attendance/Participation	<u>10%</u>
	100%

### **TUTORIAL MATERIALS AVAILABLE**

Go to [www.mcconnell19.com](http://www.mcconnell19.com) Click on our textbook; click on student resources; select chapter number; click on quizzes

### **MISCELLANEOUS MATERIALS NEEDED**

Please bring a notebook for daily note taking.

### **CELL PHONE POLICY**

It is your choice to be in this class. If you choose to come to class, the instructor and fellow learners demand your attention and respect. Cell phone usage, including text messaging, iPod usage, or usage of any other electronic device is not allowed in class. Any student who cannot meet these expectations will be asked to leave the classroom and will be counted absent for that day. **Please turn off all cell phones prior to entering the classroom.**

### **ASSIGNMENT POLICY**

The course will require a wide range of assignments including: internet exercises, cases, group projects, papers, and presentations. Students are expected to come to class with the assignments completed. Late assignments, without a medical or instructor approved excuse, will receive a 20% penalty per day.

### **TEST POLICY**

All major examinations will be announced and the format of each exam will be explained. Students who miss a test will not be allowed to make it up unless prior arrangements have been made with the instructor.

## **ATTENDANCE POLICY**

Colby Community College views class attendance as a mandatory activity. Students are expected to attend classes in which they are enrolled. If you are sick, you are encouraged to visit the Health Center. It is your responsibility to notify me of any absence due to illness or any other reason.

Students are required to attend and participate in class. Roll will be taken. Attendance/class participation is worth 10% of your grade. I reserve the right to withdraw any student at mid-tem for poor attendance. The student is withdrawn failing. This policy can be found in the Colby Community College handbook.

Please be on time for each class. Turn cell phones off or on silent mode during class.

## **ACADEMIC INTEGRITY POLICY**

Colby Community College defines academic integrity as learning that leads to the development of knowledge and/or skills without any form of cheating or plagiarism. This learning requires respect for Colby's institutional values of quality, service and integrity. All Colby Community College students, faculty, staff, and administrators are responsible for upholding academic integrity.

**Cheating** is giving, receiving, or using unauthorized help on individual and group academic exercises such as papers, quizzes, tests, and presentation through any delivery system in any learning environment. This includes impersonating another student, sharing content without authorization, fabricating data, and altering academic documents, including records, with or without the use of personal and college electronic devices.

**Plagiarism** is representing or turning in someone else's work without proper citation of the source. This includes unacknowledged paraphrase, quotation, or complete use of someone else's work in any form. It also includes citing work that is not used and taking credit for a group project without contributing to it.

The following procedure will be used for students who violate the policy:

- First Offense—Student will receive a zero for the assignment and the student will be reported to the Dean of Academic Affairs.
- Second Offense—The student will be reported to the Dean of Academic Affairs and removed from the class.

- Third Offense—The student will be reported to the Dean of Academic Affairs and dismissed from the college.

Any questions about this policy may be referred to the Dean of Academic Affairs.

## **Assessment**

Colby Community College assesses student learning at several levels: general education, program, and course. The goal of these assessment activities is to improve student learning. As a student in this course, you will participate in various assessment activities. An example of your work, a paper, some test questions, a presentation, or other work may be selected for assessment. This process will not affect your grade, will not require you do additional work and your evaluation will be confidentially handled. Results of these activities will be used to improve teaching and learning at Colby Community College

## **SYLLABUS INFORMATION DISCLAIMER**

I reserve the right to change any information contained in this document, when necessary, with adequate notice given to the student. Notice shall be given in the classroom during class. No other notice is required. It is the students' responsibility to stay current with any changes, modifications, adjustments or amendments that are made to this document

## **ACCOMMODATIONS FOR STUDENTS WITH DISABILITIES**

According to the Americans Disabilities Act, it is the responsibility of each student with a disability to notify the college of his/her disability and to request accommodation. If a member of the class has a documented learning disability or a physical disability and needs special accommodations, he/she should contact Student Support Services, which is located in the Student Union.

## **EQUIPMENT**

Students have access to the computers located in rooms BMC 704, 706 and 707. Computers are provided for student use at other locations on campus, including the library.

## **BIBLIOGRAPHY**

See instructor for additional information.

