



## **SCHOOL OF BUSINESS AND CREATIVE DESIGN**

Business & Business Administration Department

### **Course Outline – Fall 2013**

**Course Code: ECO 1123**

**Course Title: MICROECONOMICS**

*Prepared By:* C. Middleton

*Date:* June 2013

*Approved By:* Yvonne Clarke, Associate Dean

*Prerequisite:* None

*Corequisite:* None

*Prerequisite for:* ECO 1113

## 1. Course Description

This course provides an understanding of how society chooses what goods and services to produce through an examination of the laws of supply and demand, how and for whom they are produced by examining the behaviour of firms, market structures and the distribution of income.

## 2. General Education and Essential Employability Skills

**This course provides the following provincial Essential Employability Skills:**

- #1: Communication
- #2: Numeracy
- #3: Critical Thinking and Problem Solving
- #4: Information Management
- #5: Interpersonal
- #6: Personal

**Is this course approved as a General Education course?**

**No**

**Yes**

Students should refer to their program's restricted General Education courses for final determination.

## 3. Learning Outcomes

Upon successful completion of this course, the learner will be able to:

1. Explain the basic economic questions and the role of scarcity and opportunity cost in answering these questions.
2. Discuss economic method and selected economic models economic as analytical tools.
3. State and explain the laws of supply and demand.
4. Complete basic analysis of how changes in supply and demand will affect the marketplace.
5. Compute and interpret various elasticities.
6. Explain the role of costs and revenue in affecting firm behaviour.
7. Determine price and quantity in various market structures

8. Evaluate market efficiency in various market structures
9. Evaluate Government intervention in various market structures
10. Analyze factor market affects on the goods market.
11. Analyze production costs on the Environment

#### 4. Course Objectives

(The number in brackets at the end of each objective refers to the learning outcome from section 3.)

		<i>Learning Outcome Reference Number</i>
<b>Unit 1</b>	<b>Introduction: Understanding Economic Activity</b>	
1.1	Define “Economics” and differentiate between microeconomics and macroeconomics.	[1]
1.2	List and explain the resources used to produce goods and services.	[1]
1.3	Describe the basic economic questions every society must answer.	[1]
1.4	Describe the basic economic problem: scarcity.	[1]
1.5	Explain the concept of opportunity cost and apply the concept of opportunity cost to both society’s and individual economic decisions	[1]
1.6	Describe the concept of the production possibilities curve	[1,2]
1.7	Explain how the economic questions are answered in a market economy, a planned or command economy, and a mixed economic system.	[1,2]
1.8	Describe the scientific method as applied in economics, including the use of theories, models and the ceteris paribus assumption.	[2]
1.9	State and explain the law of demand.	[3]
1.10	Explain the factors that determine market demand.	[3]
1.11	Distinguish between shifts and movements along a demand curve.	[3]
1.12	Distinguish between normal and inferior goods.	[3]
1.13	Distinguish between substitutes and complements.	[3]
1.14	Explain aggregation of individuals' demand curves.	[3]
1.15	Define price elasticity of demand.	{5}
1.16	Explain the concept of elasticity of demand.	[5]
1.17	Distinguish between elastic, inelastic and unit elastic demand.	[5]

- 1.18 Discuss the relationship between elasticity, price changes, and total revenue. [5]
- 1.19 Calculate and graph various elasticities of demand [5]
- 1.20 Explain the determinants of price of elasticity of demand. [5]
- 1.21 Relate the concept of elasticity of demand to the concepts of substitut and complementary and inferior goods. [5]

**Unit 2 Theory of the Firm**

- 2.1 Evaluate organizational structures of firms [6]
- 2.2 Differentiate between accounting and economic profit [6]
- 2.3 Derive and sketch total product and short run cost curves [6,7]
- 2.4 Derive and sketch long run cost curves [6,7]
- 2.5 Analyze and determine price and quantity in perfect competition [7,8,9]
- 2.6 Analyze and determine price and quantity in imperfect markets: Monopoly, Oligopoly, Monopolistic Competition [7,8,9]
- 2.7 Determine economic efficiency and government policy to obtain economic efficiency [7,8,9]

**Unit 3 Factor Markets and the Environment**

- 3.1 Derive labour supply and labour demand and equilibrium wages [10]
- 3.2 Derive capital supply and demand determining equilibrium interest rates [10]
- 3.3 Determine the efficient level of output [11]
- 3.4 Determine the appropriate tax or quota to obtain efficiency [11]

**5. Resources and Supplies**

**a. Required**

SEXTON et al. 2013, Exploring Microeconomics, . Nelson

Available in etext, or etext with hardcopy

Aplia – on line resource included in purchase of any NEW textbook combination listed above.

**b. Supplemental**

Current newspapers and periodicals for illustrations and applications of the principles covered in the course.

## 6. Student Evaluation

**A grade of D is the passing grade for this course.** Some programs, however, may require a higher grade in order to progress through and graduate from the program. Students should check the program requirements for their particular program.

Learners will write tests on dates specified. Adequate notice will be given of impending tests or exams. If you miss a test, you will receive the lesser of your average on the other two tests or the class average on the test that was missed.

The following elements will determine the student's final grade:

Test #1	30%
Test #2	35%
Test #3	35%
<b>Total</b>	<b>100%</b>

The round off mathematical principle will be used. Percentages are converted to letter grades and grade points as follows:

Mark (%)	Grade	Grade Point	Mark	Grade	Grade Point
94-100	A+	4.0	67-69	C+	2.3
87-93	A	3.7	63-66	C	2.0
80-86	A-	3.5	60-62	C-	1.7
77-79	B+	3.2	50-59	D	1.0
73-76	B	3.0	0-49	F	0.0
70-72	B-	2.7			

### **Missed Test Policy**

Tests must be written at the designated time and in the designated place. Except under the circumstances and conditions described below the result entered for a missed test will be zero.

If a legitimate circumstance such as a medical appointment interferes with a scheduled test, arrangements must be made with the faculty member teaching the course prior to, and as far as possible in advance of the test date. If a test is missed as a result of an extenuating circumstance such as illness, or a legitimate emergency situation, the student must contact the faculty member at the earliest possible opportunity and in no event later than 24 hours after the scheduled time of the test. Voicemail messages and e-mail messages, and contact from a relative or designated representative are an acceptable method of contact if you are unable to speak to the faculty member directly. Satisfactory proof of the existence of the extenuating circumstance may be required.

If a test is missed and there are no extenuating circumstances or there is unreasonable delay in contacting the faculty member, the score for the test will be zero.

At the discretion of the faculty member missed tests may be written at the earliest opportunity after the original test, or may be deferred until after the end of the teaching portion of the term.

Students should be aware that tests written subsequently to a missed test may or may not be in the same format as the original test.

There will be no supplementary tests, quizzes, or assignments available to improve a course grade.

### **Cheating**

Please refer to the Lambton college policy on Students Rights and responsibilities for the types of offences which constitute cheating and the relevant procedures and sanctions.

Plagiarism is a serious academic offence subject to disciplinary action as described in the Lambton College policy Students' Rights and Responsibilities: Cheating Policy. Plagiarism means representing the work of others as one's own and is an act of academic dishonesty. Plagiarism includes:

- Submitting as one's own work material which was wholly or in part written or produced by someone else
- Failing to give proper credit for information retrieved from print and electronic sources
- Presenting the ideas of others as if the ideas were new and original
- Downloading material from the Internet and presenting this information without giving proper credit

To avoid plagiarism, learn how to incorporate material appropriately in your writing and provide proper documentation

### **NOTICE**

Learners enrolled in ECO 112-3 have the option of transferring to the less demanding course ECO 150-3. The following conditions apply:

- a) The transfer must be made before the 10th week of the semester.
- b) Learners transferring after the first test in ECO 150-3 must contact the instructor of that course in order to arrange for an appropriate grading procedure.
- c) ECO 150-3 is not among the courses recognized by universities and professional

accounting bodies, and cannot be used to obtain advanced standing in their programs of study.

- d) A learner who fails ECO 112-3 may elect to write a challenge examination in ECO 150-3
- e) ECO 150-3 is not acceptable for credit toward the three-year Business Administration program.

## 7. Related Items

### ***Students with Disabilities***

If you are a student with a disability please identify your needs to the professor and/or the Accessibility Centre so that support services can be arranged for you. You can do this by making an appointment at the SSD, Room L103 ext.3427 or by arranging a personal interview with the professor to discuss your needs.

### ***Student Rights and Responsibility Policy***

*Acceptable behaviour in class is established by the instructor and is expected by all students. Any form of harassment or violence will not be tolerated. Action will be taken as outlined in Lambton College policy.*

*Cheating and plagiarism are serious academic offences subject to disciplinary action. It is the student's responsibility to be aware of the cheating policy as described in the Lambton College Student Rights and Responsibilities policy. For further information on all of these policies, links may be found on the Lambton College website.*

### ***Prior Learning Assessment Statement***

*This course is eligible for Prior Learning Assessment*

**Yes**       **No**

*If yes has been selected, you may choose to contact the Counselling Department for advice on Prior Learning Assessment.*

### ***Date of Withdrawal without Academic Penalty***

*Please consult the Academic Regulations and Registrar's published dates.*

### ***Waiver of Responsibility***

*Every attempt has been made to ensure the accuracy of this information as of the date of publication. The content may be modified, without notice, as deemed appropriate by the College.*

*Note: It is the student's responsibility to retain course outlines for possible future use to support applications for transfer of credit to other educational institutions.*