

ECO 112

Course Outcome Summary FALL 2008

Course Information

Organization	Mercer County Community College
Development Date	02/12/08
Course Number	ECO 112
Alternate Title	Microeconomics
Instructional Level	100-level
Pre-requisites	ENG 101 and MAT 141 or equivalent
Credits	3
Contact Hours	3
Instructor	Fram Khoushab
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Campus	WW
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Description

Introduction to economic principles and their application to major issues of public policy: concepts of supply and demand, nature and operation of market structures, analysis of costs and nature and operation of market structures, analysis of costs and revenues, theory of production, selected problems of public policy in relation to agriculture, antitrust policy, labor relations and microeconomic aspects of world trade

Course Competencies / Goals

The aim is for students to know how individuals, consumers and firms make decision and how they interact in markets. The course is designed to develop analytical capabilities of students so they can think analytically about the economic forces a work. Upon completion of the course, the student will be able to:

1. Apply supply and demand analysis to variety of topics in a market economy
2. Explain the relation between cost and production in short run and long-run.
3. Determine the structure of different markets such as Perfect competition, Monopoly, monopolistic competition, and oligopoly.
4. Explain the economic efficiency and technological efficiency
5. Examine how market allocate resource efficiently

Course-specific General Education Goals and Core Skills

- A. Goal 2. Mathematics: Students will demonstrate quantitative understanding by appropriately using mathematical and statistical concepts and operations to interpret data accurately and to solve problems.

- B. Goal 5. Social science: Students will critically evaluate behavioral or societal issues using theories and concepts from a social science.
- C. Goal 1. Written and Oral Communication in English: Students will communicate effectively in speech and writing, and demonstrate proficiency in reading. *USE CORE COMPETENCY A.
- D. Goal 10. Diversity and Global Perspective: Students will analyze the importance of a global perspective and culturally diverse peoples.

Unit 1: Supply, Demand, and Prices

1. The Law of Demand and Supply
2. Equilibrium Price and quantity
3. Elasticity of Supply and demand
4. Consumer behavior and utility

The student will be able to:

- solve the equilibrium price and quantity given the market demand and supply schedule.
- explain the concept of elasticity and its impact on total revenue.
- distinguished the difference between demand that is elastic and demand that is inelastic.
- explain the Theory OF Consumer Behaviors, focusing on consumer choice and budget restaurant and utility maximizing rule.
- explain the Law of Diminishing Utility.

Unit 2: Production Costs, and Pure Competition

1. Short-run Production Costs
2. Long-run Production Costs
3. Characteristics of Perfect Competition
4. Profit Maximization Under Perfect Competition (short-run)
5. Pure Competition and Efficiency

The student will be able to:

- explain the following:
 - a) total cost (TC)
 - b) total fixed cost (TFC)
 - c) total variable cost (TVC)
- explain long-run average cost
- discuss profit maximization within the content of profit, loss and shut down.
- distinguish between economic and diseconomic scale.
- analyze the principles of diminishing returns.
- explain the concept of constant cost industry and increasing cost industries.
- interpret graphs for purely competitor firm with respect to:
 - a) a normal profit is earned.
 - b) a situation in which other than normal profit is earned.

Unit 3: Imperfect Competition

1. Monopoly

2. Monopolistic competition

3. Oligopoly

The student will be able to:

- explain the characteristics of monopoly.
- describe the concept of naturally monopoly.
- explain the characteristics of monopolistic competition.
- provide a graphically illustration of excess capacity.
- explain the characteristics of oligopoly and collusion.
- explain the role of non-price competition.
- show that imperfect competition is not an efficient method of resource allocation.

Unit 4: Resource Markets

Market Demand for Labor

The Market Supply of Labor

Equilibrium of Wage

Monophony

Bilateral Monopoly

The student will be able to:

- discuss the basic concepts with respect to the hiring or use of resources such as:
 - a) The $MRR=MRC$ rule by which a firm will determine how much of resource a firm will hire
 - b) A firm will hire a resource up to the point at which it maximizes profit
 - c) The competitor firm's demand curve for a resource is its marginal revenue-product curve
 - d) The elasticity of demand for labor

- explain the determination of wages in the following type markets:

- a) Competitive market
- b) Exclusive model
- c) Inclusive model
- d) Bilateral monopoly

- discuss the controversy of the minimum wage and the effect of labor union on wage increase.
- discuss the problem of wage differential focusing on non-competing groups, equalizing differences and market imperfection.
- explain the concept and impact of investment in human capital.
- discuss the concepts of economic rent, why land rent is considered a surplus and tax plans relative to land rent.

Unit 5: International Economics and the World Economy

1. International Trade: Comparative and Absolute Advantage

2. International Monetary Exchange

3. Exchange Rate

4. Balance of Payment

The student will be able to:

- demonstrate the understanding of free trade economy in other words, the concepts of comparative advantage by which to determine the possible gain from trade.
- explain impact of tariffs and non-tariff barriers, such as quota and subsidy.
- distinguish between truth and fallacies contained in the arguments for protection.
- explain the fluctuation of exchange rate in the world economy and examine its determinants.

Evaluation of student learning:

Test No.1	Unit 1	25%
Test No. 2	Unit 1&2	25%
Test No. 3	Unit 2&3	25%
Test No. 4	Unit 4&5	25%

Grading

Letter Grade	Nominal %
A	93-100
A-	90-92
B+	87-89
B	83-86
B-	80-82
C+	77-79