COURSE OUTLINE

ECO 112  Microeconomics  15 Weeks

<table>
<thead>
<tr>
<th>Course Number</th>
<th>Course Title</th>
<th>Length of Semester</th>
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<tbody>
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<td>3</td>
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Credits  Lecture Hours  Lab Hours

Catalog description (2015-2016 Catalog): 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 revenues, theory of production, selected problems of public policy in relation to agriculture, antitrust policy, labor relations and microeconomic aspects of world trade.

Is course New, Revised, or Modified? Revised

Prerequisites:
ENG101 and MAT135 or MAT140 with a minimum C grade.

Main Text:

<table>
<thead>
<tr>
<th>Title:</th>
<th>Economics</th>
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<tbody>
<tr>
<td>Author:</td>
<td>McConnell and Bruce</td>
</tr>
<tr>
<td>Publisher:</td>
<td>McGraw-Hill</td>
</tr>
<tr>
<td>Edition:</td>
<td>Contact the MCCC Bookstore for the latest Edition</td>
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Revision date: Spring 2019

Course coordinator:
Professor: Framarz_Khoushab
Course Coordinator
Office: BS124
Phone: 609-584-4800 ext. 3448
E-mail: khoushaf@mccc.edu
Course Competencies / Goals

The aim is for students to know how individuals, consumers and firms make decisions 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 at work. Upon completion of the course, the student will be able to:

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

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. (GE 1, 2, 5 MCCC CS A, B)

B. Goal 5. Social science: Students will critically evaluate behavioral or societal issues using theories and concepts from a social science. (GE 1, 2, 5 MCCC CS A, B)

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. (GE 1, 2, 5 MCCC CS A, B)

D. Goal 10. Diversity and Global Perspective: Students will analyze the importance of a global perspective and culturally diverse people. (GE 1, 2, 5 MCCC CS A, B)

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. (GE 1, 2, 5 MCCC CS A, B)
• explain the concept of elasticity and its impact on total revenue. (GE 1, 2, 5 MCCC CS A, B)
• distinguished the difference between demand that is elastic and demand that is inelastic. (GE 1, 2, 5 MCCC CS A, B)
• explain the Theory OF Consumer Behaviors, focusing on consumer choice and budget restaurant and utility maximizing rule. (GE 1, 2, 5 MCCC CS A, B)
• explain the Law of Diminishing Utility. (GE 1, 2, 5 MCCC CS A, B)

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) (GE 1, 2, 5 MCCC CS A, B)
  b) total fixed cost (TFC) (GE 1, 2, 5 MCCC CS A, B)
  c) total variable cost (TVC) (GE 1, 2, 5 MCCC CS A, B)

• explain long-run average cost (GE 1, 2, 5 MCCC CS A, B)
• distinguish between economic and diseconomic scale. (GE 1, 2, 5 MCCC CS A, B)
• analyze the principles of diminishing returns. (GE 1, 2, 5 MCCC CS A, B)
• explain the concept of constant cost industry and increasing cost industries. (GE 1, 2, 5 MCCC CS A, B)
• interpret graphs for purely competitor firm with respect to:
  a) a normal profit is earned. (GE 1, 2, 5 MCCC CS A, B)
  b) a situation in which other than normal profit is earned. (GE 1, 2, 5 MCCC CS A, B)

Unit 3: Imperfect Competition

1. Monopoly
2. Monopolistic competition
3. Oligopoly

The student will be able to:
• explain the characteristics of monopoly. (GE 1, 2, 5 MCCC CS A, B)
• describe the concept of naturally monopoly. (GE 1, 2, 5 MCCC CS A, B)
- explain the characteristics of monopolistic competition. (GE 1, 2, 5 MCCC CS A, B)
- provide a graphically illustration of excess capacity. (GE 1, 2, 5 MCCC CS A, B)
- explain the characteristics of oligopoly and collusion. (GE 1, 2, 5 MCCC CS A, B)
- explain the role of non-price competition. (GE 1, 2, 5 MCCC CS A, B)
- show that imperfect competition is not an efficient method of resource allocation. (GE 1, 2, 5 MCCC CS A, B)

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 (GE 1, 2, 5 MCCC CS A, B)
b) A firm will hire a resource up to the point at which it maximizes profit (GE 1, 2, 5 MCCC CS A, B)
c) The competitor firm’s demand curve for a resource is its marginal revenue-product curve (GE 1, 2, 5 MCCC CS A, B)
d) The elasticity of demand for labor (GE 1, 2, 5 MCCC CS A, B)

- 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. (GE 1, 2, 5 MCCC CS A, B)
- discuss the problem of wage differential focusing on non-competing groups, equalizing differences and market imperfection. (GE 1, 2, 5 MCCC CS A, B)
- explain the concept and impact of investment in human capital. (GE 1, 2, 5 MCCC CS A, B)
- discuss the concepts of economic rent, why land rent is considers a surplus and tab plans relative to land rent. (GE 1, 2, 5 MCCC CS A, B)

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. *(GE 1, 2, 5, 8 MCCC CS A, B)*
- explain impact of tariffs and non-tariff barriers, such as quota and subsidy. *(GE 1, 2, 5, 8 MCCC CS A, B)*
- distinguish between truth and fallacies contained in the arguments for protection. *(GE 1, 2, 5, 8 MCCC CS A, B)*
- explain the fluctuation of exchange rate in the world economy and examine it determinants. *(GE 1, 2, 5, 8 MCCC CS A, B)*

**Evaluation of student learning:**

<table>
<thead>
<tr>
<th>Test No.</th>
<th>Unit</th>
<th>25%</th>
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<tr>
<td>No. 1</td>
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<td>No. 2</td>
<td>Unit 1&amp;2</td>
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<tr>
<td>No. 3</td>
<td>Unit 2&amp;3</td>
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<tr>
<td>No. 4</td>
<td>Unit 4&amp;5</td>
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**Grading**

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<th>Nominal %</th>
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<td>A</td>
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<tr>
<td>A-</td>
<td>90-92</td>
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<td>B+</td>
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<td>B</td>
<td>83-86</td>
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<td>B-</td>
<td>80-82</td>
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<tr>
<td>C+</td>
<td>77-79</td>
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**Academic Integrity:**

As per the student handbook, “A student will be guilty of violating academic integrity if he/she (a) knowingly represents the work of others as his/her own, (b) uses or obtains unauthorized assistance in the execution of academic work, or (c) gives fraudulent assistance to another student.” Students should read the Academic Integrity policy in the MCCC Rights and Responsibilities Student Handbook. Academic Dishonesty will result in failure of this course.

Any student who has special needs because of a disability is entitled to receive accommodations. Eligible students at Mercer County Community College are assured services under the Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973.

If you believe you are eligible for services, please contact Arlene Stinson, the Director of Academic Support Services. Ms. Stinson’s office is LB221, and she can be reached at (609) 570-3525. James Kerney Campus students may contact Assistant Dean Donald Jones in KC216 or at (609) 570-3147.