

EC111
Microeconomics
3 Credits

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EC111 Version: 22



Microeconomics

Calendar Description

Microeconomics deals with the choices we make under conditions of scarcity. The study of economics introduces student to analytical and problem-solving techniques that can be applied to consumer behavior, production decisions, market structures, and the price mechanism. This knowledge enables better decisions in business, private, and public life.

Rationale

Microeconomics is a required course for all Business students. EC111 introduces students to the concepts of scarcity, opportunity cost and choice, and how prices interact with demand and supply to create markets. The basic principles governing economic life are identified as analytical tools for use in government and business decisions. Employees who are knowledgeable and skillful in microeconomic analysis are invaluable assets to employers in the public and private sectors.

Prerequisites

Grade XII Math or equivalent.

Co-Requisites

None

Course Learning Outcomes

Upon successful completion of this course, students will be able to

1. explain the relationship of opportunity cost to scarcity and choice.
2. model and analyze price levels and market conditions using demand and supply curves.
3. calculate price elasticities, and explain how they affect consumption or production decisions.
4. interpret the importance of marginalism (e.g. marginal costs, benefits, revenues, profits...) in economic decision-making.
5. differentiate between the four main market structures on the basis of price, output, market power, and efficiency.

6. categorize implicit (opportunity), explicit (accounting), and sunk costs, and demonstrate how they are used in profit maximization and other economic decision making.
7. distinguish between and construct normative and positive statements, and apply normative analysis (as a form of critical thinking) to policy outcomes.
8. compare the competing goals of economic efficiency and social well-being as they apply to policy decisions.
9. identify when markets fail to achieve efficiency, and evaluate the need for policy intervention.
10. describe economic rent, and explain how it determines the value of income from land, capital, and labour.

Resource Materials

Required Text:

Hubbard, O'Brien, Serletis and Childs (2018). *Microeconomics*, Second Canadian Edition (plus new MyEconLab with Pearson eText)

Access card package.

ISBN-10: 0134624688

ISBN-13: 9780134624686

The text and access card are available as a package at the Lakeland College Bookstore. There are several options for getting the textbook, including purchasing the eText with access code online. Please be aware that if you buy a second-hand book, you may also have to purchase the access code separately in order to access the Pearson MyEconLab learning platform that is required for the course.

The textbook and the access card are **required** for EC111.

Conduct of Course

The methods of teaching focuses on lecture, questioning technique, assignments and discussion, especially topics related to current events.

Students will be required to pre-read chapter material from the text, and during the class they are expected to be able to participate in discussions and exercises based on readings.

Classroom participation concerning class material is expected and is beneficial to all students. Practice classroom courtesy so that class discussion periods can be conducted in an orderly fashion, and this means keeping up with the required readings. If you must enter the classroom after class has begun, please do so as quietly as possible. If you have a disagreement with the instructor on a particular graded exercise or exam question, please see the instructor after class or during office hours.

Evaluation Procedures

Examinations are mostly structured as multiple choice questions. Students are allowed to review their marked exams during one class period and then the students are requested to return their exams to the instructor.

The final grade is an aggregate of the following components:

| | |
|--------------------------------|------------|
| Midterm Examinations (2 x 20%) | 40% |
| Final Examination | 40% |
| Assignments/Quizzes/Attendance | <u>20%</u> |
| Total | 100% |

Any changes to the evaluation methods will be discussed during the first class.

Grade Equivalents and Course Pass Requirements

A minimum grade of D (50%) (1.00) is required to pass this course.

| | | | | | | | | | | | | |
|---------------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| Letter | F | D | D+ | C- | C | C+ | B- | B | B+ | A- | A | A+ |
| Percent Range | 0-49 | 50-52 | 53-56 | 57-59 | 60-64 | 65-69 | 70-74 | 75-79 | 80-84 | 85-89 | 90-94 | 95-100 |
| Points | 0.00 | 1.00 | 1.30 | 1.70 | 2.00 | 2.30 | 2.70 | 3.00 | 3.30 | 3.70 | 4.00 | 4.00 |

Students must maintain a cumulative grade of C (GPA - Grade Point Average of 2.00) in order to qualify to graduate.

Attendance

Regular attendance is essential for success in any course and students are **required to attend EC111**. Absence for any reason does not relieve a student of the responsibility of completing course work and assignments to the satisfaction of the instructor. Poor attendance may result in the termination of a student from a course(s).

The instructor will recommend that the Registrar withdraw any student who does not meet the established attendance requirements. A failing grade of RW (Required to Withdraw) will appear on the student's transcript.

In cases of repeated absences due to illness, the student may be requested to submit a medical certificate.

Instructors have the authority to require attendance at classes.

Course Units/Topics

Section 1 Economics basics: supply and demand

Topic a. Economic foundations. Scarcity, opportunity cost.

Topic b. Demand and supply in markets.

Section 2 Markets in action

Topic a. Introduction to efficiency and government policy.

Topic b. Demand and supply elasticities.

Section 3 Firms in economics

Topic a. Specialization and gains from trade.

Section 4 Microeconomic foundations

Topic a. A brief look at consumer choice theory and behavioral economics.

Section 5 Market structure, market power, and strategy

Topic a. Production and costs.

Topic b. What is perfect about perfect competition?

Topic c. Monopolistic and oligopolistic structures, behaviors, and strategies.

Section 6 Topics in economics

Topic a. Labour Markets.

Topic b. Public Choice economics.



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