

ESSEX COUNTY COLLEGE
Business Division
ECO 102 – Principle of Economics (Micro)
Course Outline

Course Number & Name: ECO 102 Principles of Economics (Micro)

Credit Hours: 3.0 **Contact Hours:** 3.0 **Lecture:** 3.0 **Lab:** N/A **Other:** N/A

Prerequisites: Grades of “C” or better in ECO 101 and ENG 096 and RDG 096

Co-requisites: None

Concurrent Courses: None

Course Outline Revision Date: Fall 2010

Course Description: This course provides a comprehensive introduction to the Principles of Microeconomics that includes (i) the Basic Problems of Economics (Scarcity, Choice, Opportunity costs); (ii) Market Analysis (Demand & Supply), Elasticities and Consumer Behavior; (iii) Production, Cost and Market Structures (Pure Competition, Monopolistic Competition, Oligopoly and Pure Monopoly); (iv) US Economy and Public Sector Analysis; and (v) Resource Markets together with other relevant economic issues and policies.

General Education Goals: ECO 102 is affirmed in the following General Education Foundation Category: **Society and Human Behavior**. The corresponding General Education Goal is as follows: Students will use social science theories and concepts to analyze human behavior and social and political institutions and to act as responsible citizens.

Course Goals: Upon successful completion of this course, students should be able to do the following:

1. demonstrate knowledge of the fundamental concepts and theories of microeconomics;
2. explain how elasticity (of demand and supply) decisions affect total revenue;
3. use appropriate technology as a tool to collect and analyze data on basic microeconomic issues;
4. identify and explain various market structures and how profit maximization decisions are taken in each structure; and
5. differentiate between private and public goods and describe the process of making public choice.

Measurable Course Performance Objectives (MPOs): Upon successful completion of this course, students should specifically be able to do the following:

1. Demonstrate knowledge of the fundamental concepts and theories of microeconomics:
 - 1.1 *define the terms scarcity, choice and opportunity;*
 - 1.2 *discuss the importance of the study of economics to society, institutions and individuals;*
 - 1.3 *explain demand and supply theories and how prices are determined in a free market system;*

Measurable Course Performance Objectives (MPOs) (continued):

- 1.4 *identify the key economic resources of any business firm and explain how the resources can be optimally used; and*
- 1.5 *explain the characteristics of capitalism & socialism economic systems*
- 2. Explain how elasticity (of demand and supply) decisions affect total revenue:
 - 2.1 *differentiate between price elasticity and cross elasticity of demand;*
 - 2.2 *state the formula use in calculating the price elasticity of demand;*
 - 2.3 *list and explain the determinants of elasticity of demand; and*
 - 2.4 *discuss how price elasticity of demand affects total revenue of a product*
- 3. Use appropriate technology as a tool to collect and analyze data on basic microeconomic issues:
 - 3.1 *given a hypothetical table of demand and supply, use a computer to graph the demand and supply curves, determine the equilibrium price, and explain what happens when the price is set above the equilibrium; and*
 - 3.2 *given a hypothetical table of output and total cost of a firm, use appropriate software to compute the average and marginal product*
- 4. Identify and explain various market structures and how profit maximization decisions are taken in each structure:
 - 4.1 *identify the four main market structures;*
 - 4.2 *distinguish between a pure competitive and monopoly market structures; and*
 - 4.3 *with appropriate diagrams, explain why pure competition is more efficient than the monopoly*
- 5. Differentiate between private and public goods, and describe the process of making public choice:
 - 5.1 *list 5 examples each of private and public goods;*
 - 5.2 *describe the process of making public choice;*
 - 5.3 *differentiate between benefit-received and ability-to-pay principles of taxation; and*
 - 5.4 *assess and comment on the current U.S. Health Insurance policy*

Methods of Instruction: Instruction will consist of a combination of lectures, online assignments, class participation and workshops.

Outcomes Assessment: Test and exam questions are blueprinted to course objectives. Data are collected and analyzed to determine the level of students' performance on these assessment instruments in regards to meeting course objectives. The results of this analysis are further used to guide necessary pedagogical and/or curricular revisions.

Course Requirements: All students are required to:

1. Maintain regular attendance.
2. Actively participate in class discussions and workshops.
3. Read the recommended textbook and continuously explore other related resource materials.
4. Complete all assigned homework on time.
5. Take all quizzes, tests, and exams when scheduled.

Methods of Evaluation: Final course grades will be computed as follows:

| Grading Components | % of final course grade |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| <ul style="list-style-type: none">• Attendance & Class participation and Homework To assess students understanding of the Economics concepts, homework problems are designed for students to relate and apply real life situations to what is learnt in class. All other class participations including workshops and attendance are rewarded accordingly. | 15 – 25% |
| <ul style="list-style-type: none">• 3 or more in-class Tests (dates specified by the instructor) Tests will show evidence of the extent to which students meet course objectives including but not limited to identifying and applying concepts, understanding terms and demonstrating evidence of basic foundations of microeconomics. | 45 – 55% |
| <ul style="list-style-type: none">• Final Exam The comprehensive final exam will examine the extent to which students have understood and synthesized all course content and achieved all course objectives. | 20 – 30% |

NOTE: The instructor will provide specific weights, which lie in the above-given ranges, for each of the grading components at the beginning of the semester. Also, students will be updated of their performances throughout the semester.

Academic Integrity: Dishonesty disrupts the search for truth that is inherent in the learning process and so devalues the purpose and the mission of the College. Academic dishonesty includes, but is not limited to, the following:

- plagiarism – the failure to acknowledge another writer’s words or ideas or to give proper credit to sources of information;
- cheating – knowingly obtaining or giving unauthorized information on any test/exam or any other academic assignment;
- interference – any interruption of the academic process that prevents others from the proper engagement in learning or teaching; and
- fraud – any act or instance of willful deceit or trickery.

Violations of academic integrity will be dealt with by imposing appropriate sanctions. Sanctions for acts of academic dishonesty could include the resubmission of an assignment, failure of the test/exam, failure in the course, probation, suspension from the College, and even expulsion from the College.

Student Code of Conduct: All students are expected to conduct themselves as responsible and considerate adults who respect the rights of others. Disruptive behavior will not be tolerated. All students are also expected to attend and be on time all class meetings. No cell phones or similar electronic devices are permitted in class. Please refer to the Essex County College student handbook, *Lifeline*, for more specific information about the College’s Code of Conduct and attendance requirements.

Course Content Outline: based on the text **Economics**, 18th edition, by McConnell, Brue & Flynn; published by Irwin-McGraw Hill, New York, 2009.

| Week | Content/Topics | Chapter Number |
|-------------|------------------------------------------------------------------|-----------------------|
| 1 | Limits, Alternatives and Choices | 1 |
| 2 | Demand, Supply and Market Equilibrium | 3 |
| 3 | Elasticity of Demand & Supply, and Consumer and Producer Surplus | 6 |
| 4 | Test #1 on Chapters 1, 3 and 6 | |
| | The Theory of Consumer Behavior and Marginal Analysis..... | 7 |
| 5 | Production and the Cost Theory | 8 |
| 6 | Pure or Perfect Competitive..... | 9 |
| 7 | Test #2 on Chapters 7, 8 and 9 | |
| | Pure Monopoly | 10 |
| 8 | Monopolistic Competition and Oligopoly..... | 11 |
| 9 | The Demand for Resources..... | 12 |
| 10 | Test #3 on Chapters 10, 11 and 12 | |
| | The US Economy: Private and Public Sectors..... | 4 |
| 11 | Public Goods, Externalities and Information Asymmetries..... | 16 |
| 12 | Public Choice Theory and Economics of Taxation..... | 17 |
| 13 | Health Care..... | 21 |
| 14 | Immigration..... | 22 |
| 15 | Final Exam on Chapters 4, 16, 17, 21 and 22 | |