

### Course Outline

**COURSE:** ECON 2                      **DIVISION:** 50                      **ALSO LISTED AS:**

**TERM EFFECTIVE:** Summer 2020                      **CURRICULUM APPROVAL DATE:** 06/09/2020

**SHORT TITLE:** PRIN MICROECONOMICS

**LONG TITLE:** Principles of Microeconomics

| <u>Units</u> | <u>Number of Weeks</u> | <u>Type</u> | <u>Contact Hours/Week</u> | <u>Total Contact Hours</u> |
|--------------|------------------------|-------------|---------------------------|----------------------------|
| 3            | 18                     | Lecture:    | 3                         | 54                         |
|              |                        | Lab:        | 0                         | 0                          |
|              |                        | Other:      | 0                         | 0                          |
|              |                        | Total:      | 3                         | 54                         |

**COURSE DESCRIPTION:**

Introduction to microeconomic principles, theory, and analysis. Topics include scarcity and resource allocation, specialization and exchange, and the determinants and distribution of output, income, and welfare through the market system, as well as elasticity, production and cost theory, and market failure caused by externalities and asymmetric information. Includes consumer choice and utility maximization, as well as profit maximization in various competitive settings. This course has the option of a letter grade or pass/no pass. (C-ID: ECON 201) **PREREQUISITE:** MATH 430 or MATH 205

**PREREQUISITES:**

- Completion of MATH 430, as UG, with a grade of C or better.
- OR
- Completion of MATH 205, as UG, with a grade of C or better.
- OR
- Completion of MATH 233, as UG, with a grade of C or better.
- OR
- (Completion of MATH 233A, as UG, with a grade of C or better.  
 AND Completion of MATH 233B, as UG, with a grade of C or better.)
- OR
- Completion of MATH 235, as UG, with a grade of C or better.
- OR
- Completion of MATH 240, as UG, with a grade of C or better.
- OR
- Completion of MATH 242, as UG, with a grade of C or better.
- OR
- Completion of MATH 5, as UG, with a grade of C or better.
- OR

Completion of MATH 6, as UG, with a grade of C or better.  
OR  
Completion of MATH 7, as UG, with a grade of C or better.  
OR  
Completion of MATH 8A, as UG, with a grade of C or better.  
OR  
Completion of MATH 12, as UG, with a grade of C or better.  
OR  
Completion of MATH 14, as UG, with a grade of C or better.  
OR  
Completion of MATH 1A, as UG, with a grade of C or better.  
OR  
Completion of MATH 1B, as UG, with a grade of C or better.  
OR  
Completion of MATH 1C, as UG, with a grade of C or better.  
OR  
Score of 2500 on Accuplacer Math  
OR  
Score of 33 on Intermediate Algebra  
OR  
Score of 13 on Pre-Calculus  
OR  
Score of 2600 on MM CCCApply Math  
OR  
Score of 2600 on MM Placement Tool Math

COREQUISITES:

CREDIT STATUS: D - Credit - Degree Applicable

GRADING MODES

L - Standard Letter Grade  
P - Pass/No Pass

REPEATABILITY: N - Course may not be repeated

SCHEDULE TYPES:

02 - Lecture and/or discussion  
05 - Hybrid  
71 - Dist. Ed Internet Simultaneous  
72 - Dist. Ed Internet Delayed

**STUDENT LEARNING OUTCOMES:**

1. Recognize and apply economic theory in everyday life.

Measure of assessment

Written Homework Assignment

Year assessed, or planned year of assessment

2018

Semester

Fall

2. Use the framework of supply, demand, consumer's surplus, and producer's surplus to show how changes in economic variables affect market outcomes.

Measure of assessment

Objective Exam Question

Year assessed, or planned year of assessment

2018

Semester

Fall

3. Use marginal analysis to make resource allocation decisions.

Measure of assessment

Objective Exam Question

Year assessed, or planned year of assessment

2018

Semester

Fall

4. Compare different market settings (e.g. perfect competition, monopoly, etc.) on the basis of whether they are likely to achieve productive and allocative efficiency.

Measure of assessment

Objective Exam Question

Year assessed, or planned year of assessment

2018

Semester

Fall

**CONTENT, STUDENT PERFORMANCE OBJECTIVES, OUT-OF-CLASS ASSIGNMENTS**

Curriculum Approval Date: 02/26/2018

Hours: 3      Topic: Foundations and Models (i.e. Fundamentals of economic thinking, including scarcity, opportunity costs, marginal analysis, rational

behavior, and the distinction between positive and normative analysis.)

Student Performance Objectives: Utilize the concept of scarcity to explain economic trade-offs, opportunity costs, and rational

behavior. Explain these three key economic ideas: People are rational, people respond to incentives, and optimal decisions are made at the margin. Discuss how an economy answers these questions:

What goods and services will be produced? How will those goods and services be produced? Who will receive the goods and services produced? Identify and discuss the role of models in economic analysis.

Outside of Class Assignments: Read textbook chapter 1. Do homework corresponding to assigned textbook reading in MyEconLab. Short writing assignment that is part of a learning portfolio submitted upon conclusion of the semester (available for a given semester upon request from instructor).  
Hours: 6      Topic: Where Prices Come From: The Interaction of Supply and Demand (How markets operate, including the definition of a market, supply and demand, the price mechanism, factors of production, and factor vs. product markets.)

Student Performance Objectives: Discuss the variables that influence demand. Discuss the variables that influence supply. Use a graph to illustrate market equilibrium. Use demand and supply graphs to predict changes in prices and quantities.

Outside

of Class Assignments: Read textbook chapter 3. Do homework corresponding to assigned textbook reading in MyEconLab. Short writing assignment that is part of a learning portfolio submitted upon conclusion of the semester (available for a given semester upon request from instructor).

Hours: 5      Topic: Economic Efficiency, Government Price Controls, and Effects of Excise Taxes (Including producer and consumer surplus, and government price controls.)

Student Performance Objectives: Distinguish between the concepts of consumer surplus and producer surplus, and identify each on a graph.

Discuss the concept of economic efficiency. Explain the economic effect of government imposed price floors and ceilings. Use producer and consumer surplus to analyze the economic effects of excise taxes.

Outside of Class Assignments: Read textbook chapter 4. Do homework corresponding to assigned textbook reading in MyEconLab. Short writing assignment that is part of a learning portfolio submitted upon conclusion of the semester (available for a given semester upon request from instructor).

Hours: 1.5      Topic: Midterm Examination

Hours: 5      Topic: Externalities, Environmental Policy, and Public Goods (Including market failure and public policy responses.)

Student Performance Objectives: Identify examples of positive and negative externalities, and demonstrate how markets

function and what happens in the presence of market failures. Discuss the Coase Theorem and explain how private bargaining can lead to economic efficiency in a market with an externality. Explain how goods can be categorized on the basis of whether they are rival or excludable.

Outside of Class Assignments: Read textbook chapter 5. Do homework corresponding to assigned textbook reading in

MyEconLab. Short writing assignment that is part of a learning portfolio submitted upon conclusion of the semester (available for a given semester upon request from instructor).

Hours: 3      Topic:

Elasticity: The Responsiveness of Supply and Demand

Student Performance Objectives: Define price elasticity of demand and understand how to measure it. Calculate and interpret measures of

elasticity. Understand the determinants of the price elasticity of demand. Identify and discuss the relationship between the price elasticity of demand and total revenue. Define cross-price elasticity of demand and income elasticity of demand and understand how their determinants and how they are measured.

Outside of Class Assignments: Read textbook chapter 6. Do homework corresponding to assigned textbook reading in MyEconLab. Short writing assignment that is part of a learning portfolio submitted upon conclusion of the semester (available for a given semester upon request from instructor).

Hours: 5      Topic: Comparative Advantage and the Gains From Specialization and Exchange (Including specialization and gains from trade as well as production possibilities frontiers.)

Student Performance Objectives: Use a production possibilities frontier to analyze opportunity costs and trade-offs. Discuss comparative advantage and explain how it is the basis for trade. Explain how countries gain from international trade. Analyze the economic effects of government policies that restrict international trade. Evaluate the arguments over trade policies and globalization.

Outside of Class Assignments: Read textbook chapters 2 and 9. Do homework corresponding to assigned textbook reading in MyEconLab. Short writing assignment that is part of a learning portfolio submitted upon conclusion of the semester (available for a given semester upon request from instructor).

Hours: 5      Topic: Consumer Choice and Behavioral Economics

Student Performance

Objectives: Define utility and explain how consumers choose goods and services to maximize their utility. Use the concept of utility to explain the law of demand. Explain how social influences can affect consumption choices. Describe the behavioral economics approach to understanding decision making.

Outside of Class Assignments: Read textbook chapter 10. Do homework corresponding to assigned textbook reading in MyEconLab. Short writing assignment that is part of a learning portfolio submitted upon conclusion of the semester (available for a given semester upon request from instructor).

Hours: 1.5      Topic: Midterm Examination

Hours: 3      Topic: Technology, Production, and Costs (Including an introduction to the production function, marginal vs., average product, the law of diminishing returns, explicit vs. implicit costs and the related ideas of accounting vs. economic profit, total, average, and marginal costs in the short run and associated short run production decisions, the long run average costs curve, and economies and diseconomies of scale.)

Student Performance Objectives: Define technology. Distinguish between the economic short run and the economic long run. Analyze production and costs of the firm. Explain and illustrate graphically the concepts of fixed, variable, total, average, marginal, average fixed, and average variable costs. Define and discuss long run average cost, and differentiate long run average cost from short run average cost.

Outside of Class Assignments: Read textbook chapter 11. Do homework corresponding to assigned textbook reading in MyEconLab. Short writing assignment that is part of a learning portfolio submitted upon conclusion of the semester (available for a given semester upon request from instructor).

Hours: 4      Topic: Firms in Perfectly Competitive Markets

Student Performance Objectives: Explain what a perfectly competitive market is and why a perfect competitor faces a horizontal demand curve. Demonstrate how firms attempt to maximize profits in response to changes in price in both the short and long run. Use graphs to show a firm's profit or loss. Explain why firms may shut down temporarily. Explain how entry and exit ensure that perfectly competitive firms earn zero economic profit in the long run. Explain how perfect competition leads to economic efficiency.

Outside of Class Assignments: Read textbook chapter 12. Do homework corresponding to assigned textbook reading in MyEconLab. Short writing assignment that is part of a learning portfolio submitted upon conclusion of the semester (available for a given semester upon request from instructor).

Hours: 3      Topic: Monopolistic Competition

Student Performance Objectives: Explain why a monopolistically competitive firm has downward sloping demand and marginal revenue curves. Demonstrate how firms attempt to maximize profits in response to changes in price in both the short and long run. Analyze the situation of a monopolistically competitive firm in the long run. Compare efficiency of monopolistic competition and perfect competition.

#### Outside of Class Assignments:

Read textbook chapter 13. Do homework corresponding to assigned textbook reading in MyEconLab. Short writing assignment that is part of a learning portfolio submitted upon conclusion of the semester (available for a given semester upon request from instructor).

Hours: 3      Topic: Oligopoly

Student Performance Objectives: Show how barriers to entry explain the existence of oligopolies. Use game

theory (simultaneous and sequential games) to analyze the strategies of oligopolistic firms. Outside of Class Assignments: Read textbook chapter 14. Do homework corresponding to assigned textbook reading in MyEconLab. Short writing assignment that is part of a learning portfolio submitted upon conclusion of the semester (available for a given semester upon request from instructor).

Hours:

4      Topic: Monopoly

Student Performance Objectives: Define monopoly, and explain the four main reasons monopolies arise. Demonstrate how firms attempt to optimize their objectives in response to

price changes in both the short and long run. Use a graph to illustrate how a monopoly affects economic efficiency. Discuss government antitrust/monopoly policy.

Outside of Class Assignments: Read

textbook chapter 15. Do homework corresponding to assigned textbook reading in MyEconLab. Short writing assignment that is part of a learning portfolio submitted upon conclusion of the semester (available for a given semester upon request from instructor).

#### **METHODS OF INSTRUCTION:**

Lecture, demonstration and discussion.

#### **OUT OF CLASS ASSIGNMENTS:**

Required Outside Hours: 108

Assignment Description: Homework assignments consisting of practice problems sets of objective questions.

#### **METHODS OF EVALUATION:**

Writing assignments

Percent of total grade: 20.00 %

Percent range of total grade: 20 % to 30 % Written Homework; Term or Other Papers; Other: Current event analysis

Problem-solving assignments

Percent of total grade: 15.00 %

Percent range of total grade: 15 % to 20 % Homework Problems

Objective examinations

Percent of total grade: 45.00 %

Percent range of total grade: 45 % to 60 % Multiple Choice; True/False; Other: Graphing Questions

#### **REPRESENTATIVE TEXTBOOKS:**

Required Representative Textbooks

Hubbard/ O'Brien. Microeconomics 6th Edition. Pearson, 2017.

ISBN: ISBN: 978-0134106243

Reading Level of Text, Grade: Reading level of text, Grade: 13 Verified by: Verified by: Gloria Curtis, Reference Librarian at Gavilan College

## **ARTICULATION and CERTIFICATE INFORMATION**

Associate Degree:

GAV D2, effective 201570

CSU GE:

CSU D, effective 201570

CSU D2, effective 200430

IGETC:

IGETC 4B, effective 201570

CSU TRANSFER:

Transferable CSU, effective 201570

UC TRANSFER:

Transferable UC, effective 201570

## **SUPPLEMENTAL DATA:**

Basic Skills: N

Classification: Y

Noncredit Category: Y

Cooperative Education:

Program Status: 1 Program Applicable

Special Class Status: N

CAN: ECON4

CAN Sequence:

CSU Crosswalk Course Department: ECON

CSU Crosswalk Course Number: 2

Prior to College Level: Y

Non Credit Enhanced Funding: N

Funding Agency Code: Y

In-Service: N

Occupational Course: E

Maximum Hours:

Minimum Hours:

Course Control Number: CCC000191847

Sports/Physical Education Course: N

Taxonomy of Program: 220400