

## ECONOMICS 202 COURSE GUIDE

### Principles of Microeconomics

*Text: Principles of Microeconomics, 4<sup>th</sup> Edition –N. Gregory Mankiw*

Learning Objectives: To provide each student with an introduction to microeconomics and to impress upon students how the principles of microeconomic decision making plays an important role in explaining individual behavior both inside and outside the business world.

Specific Learning Standards emphasized in this course include:

*Critical Thinking* -- analyzes information; utilizes logic; recognizes patterns and forms conclusions; recognizes and evaluates assumptions, theses, and support of arguments.

*Global Awareness* – emphasis placed on how individual markets and firms should react to the changing global business environment.

#### Course Specifics:

The following indicates the learning objectives in each chapter that should be given the most emphasis in lecture, problem assignments, and testing. Other learning objectives may be covered at the instructor's discretion.

<i>Chp#</i>	<i>Chapter Title</i>	<i>Learning Objectives to be Emphasized</i>
2	Thinking Like an Economist	<ul style="list-style-type: none"><li>• Understand thinking on the margin and be able to apply it to specific problems</li><li>• Understand t opportunity cost</li><li>• Be able to relate the production possibilities frontier to the ideas of scarcity and opportunity cost</li></ul>
3	Interdependence and the Gains from Trade	<ul style="list-style-type: none"><li>• Be able to understand and demonstrate comparative advantage and the gains from trade</li></ul>
4	The Market Forces of Supply and Demand	<ul style="list-style-type: none"><li>• Understand the forces of supply and demand</li><li>• Be able to depict supply and demand graphically</li><li>• Be able to use supply and demand to determine comparative static effects of changes in demand and supply factors</li></ul>
5	Elasticity and Its Application	<ul style="list-style-type: none"><li>• Be able to calculate and interpret the price elasticity of demand</li><li>• Recognize the relationship between elasticity and total revenue</li><li>• Be able to use elasticities to determine demand responses to given price changes</li></ul>
6	Supply Demand and Government Policies	<ul style="list-style-type: none"><li>• Understand how price controls affect market outcomes and be bale to demonstrate them graphically</li><li>• Understand how excise taxes affect market</li></ul>

		outcomes and be able to demonstrate them graphically
7	Consumers, Producers and the Efficiency of Markets	<ul style="list-style-type: none"> <li>• Understand the concepts of consumer and producer surplus and their relationship to economic well-being</li> <li>• Be able to graphically identify and quantify consumer and producer surplus</li> </ul>
8	Application: The Costs of Taxation	<ul style="list-style-type: none"> <li>• Be able to understand and graphically analyze the welfare implications of changes in excise taxes</li> <li>• Tax Incidence?</li> </ul>
9	Application: International Trade	<ul style="list-style-type: none"> <li>• Be able to understand and graphically analyze the welfare implications of changes in tariffs</li> <li>• Understand the arguments for and against free trade</li> </ul>
13	The Costs of Production	<ul style="list-style-type: none"> <li>• Understand the difference between accounting and economic profit</li> <li>• Be able to construct and interpret cost curves</li> <li>• Understand the relationship between marginal and average cost curves</li> </ul>
14	Firms in Competitive Markets	<ul style="list-style-type: none"> <li>• Know the characteristics of perfectly competitive markets</li> <li>• Be able to use the profit maximization rule to determine firm's profit maximizing level of output and the corresponding profit</li> <li>• Understand the shut-down rule</li> <li>• Understand long run entry and exit decisions</li> </ul>
15	Monopoly	<ul style="list-style-type: none"> <li>• Know the sources of monopoly power</li> <li>• Understand the relationship between marginal revenue, demand and elasticity</li> <li>• Be able to use the profit maximization rule to determine firm's profit maximizing level of output and the corresponding profit</li> <li>• Be able to identify and understand the welfare effects of monopoly power</li> </ul>