

ECON R201: INTRODUCTION TO THE PRINCIPLES OF MICROECONOMICS

Originator

iedwards

College

Oxnard College

Discipline (CB01A)

ECON - Economics

Course Number (CB01B)

R201

Course Title (CB02)

Introduction to the Principles of Microeconomics

Banner/Short Title

Principles of Microeconomics

Credit Type

Credit

Start Term

Fall 2021

Formerly

ECON R102

Catalog Course Description

This course introduces the student to the functioning of the market mechanism, its strengths and weaknesses, and to the role of the consumer and the producer in the modern global economy. This course also examines the behavior of the consumer, and that of the profit-maximizing firm in regard to cost, price and output, within varying levels of competition, and government regulations. C-ID: ECON 201.

Taxonomy of Programs (TOP) Code (CB03)

2204.00 - Economics

Course Credit Status (CB04)

D (Credit - Degree Applicable)

Course Transfer Status (CB05) (select one only)

A (Transferable to both UC and CSU)

Course Basic Skills Status (CB08)

N - The Course is Not a Basic Skills Course

SAM Priority Code (CB09)

E - Non-Occupational

Course Cooperative Work Experience Education Status (CB10)

N - Is Not Part of a Cooperative Work Experience Education Program

Course Classification Status (CB11)

Y - Credit Course

Educational Assistance Class Instruction (Approved Special Class) (CB13)

N - The Course is Not an Approved Special Class

Course Prior to Transfer Level (CB21)

Y - Not Applicable

Course Noncredit Category (CB22)

Y - Credit Course

Funding Agency Category (CB23)

Y - Not Applicable (Funding Not Used)

Course Program Status (CB24)

1 - Program Applicable

General Education Status (CB25)

Y - Not Applicable

Support Course Status (CB26)

N - Course is not a support course

Field trips

May be required

Grading method

Letter Graded

Does this course require an instructional materials fee?

No

Repeatable for Credit

No

Is this course part of a family?

No

Units and Hours

Carnegie Unit Override

No

In-Class

Lecture

Minimum Contact/In-Class Lecture Hours

52.5

Maximum Contact/In-Class Lecture Hours

52.5

Activity

Laboratory

Total in-Class

Total in-Class

Total Minimum Contact/In-Class Hours

52.5

Total Maximum Contact/In-Class Hours

52.5

Outside-of-Class

Internship/Cooperative Work Experience

Paid

Unpaid

Total Outside-of-Class

Total Outside-of-Class

Minimum Outside-of-Class Hours

105

Maximum Outside-of-Class Hours

105

Total Student Learning

Total Student Learning

Total Minimum Student Learning Hours

157.5

Total Maximum Student Learning Hours

157.5

Minimum Units (CB07)

3

Maximum Units (CB06)

3

Prerequisites

MATH R002 or MATH R005 or MATH R011 or MATH R015

Advisories on Recommended Preparation

MATH R014 or MATH R014B

Entrance Skills

Entrance Skills

Microeconomics uses mathematics to inform about social behavior in a quantitative way. Common mathematical techniques in microeconomics courses include geometry, order of operations and balancing equations. Microeconomics might also appropriately use mathematics to highlight existing phenomena or draw graphs to visually show the implications of human action.

Students of microeconomics should understand how slope and fractional exponents interact within linear and exponential equations. For example, students should be able to derive the value of the slope of a line using the linear equation " $y = a + bx$ " and solving for b .

Microeconomics may require entrance skills such as:

What a function is

How to interpret the equation of a line (i.e., slope and intercept)

How to manipulate a line (i.e., changing the slope or the intercept)

How to compute and interpret a growth rate (i.e., percentage change)

How to read and manipulate a graph.

Prerequisite Course Objectives

MATH R002-Graph lines using the slope and y-intercept.

MATH R002-Write linear equations given two points.

MATH R002-Evaluate functions using function notation.

MATH R002-Solve systems of linear equations by graphing, substitution, and elimination methods.

MATH R002-Add, subtract, multiply, and divide polynomials.

MATH R002-Add, subtract, multiply, and divide rational expressions.

MATH R002-Solve rational equations.

MATH R005-Simplify algebraic expressions

MATH R005-Solve linear equations.

MATH R005-Graph linear equations by plotting points and using intercepts.

MATH R005-Simplify rational expressions and solve rational equations.

MATH R005-Simplify expressions involving positive, negative, and rational exponents.

MATH R005-Graph and evaluate elementary functions.

MATH R005-Use definitions, domain and range, algebra and composition of functions on related applications.

MATH R011-Evaluate and simplify algebraic expressions

MATH R011-Solve linear equations and inequalities

MATH R011-Simplify expressions with positive and negative exponents

MATH R011-Convert decimals to scientific notation and vice versa
MATH R011-Graph and write linear equations
MATH R011-Solve systems of linear equations by algebraic and graphing methods
MATH R011-Solve rational equations
MATH R015-Evaluate and simplify algebraic expressions.
MATH R015-Solve linear equations.
MATH R015-Simplify expressions with positive and negative exponents.
MATH R015-Convert decimals to scientific notation and vice versa.
MATH R015-Solve systems of two (2) variable linear equations by graphing and algebraic methods, and three (3) variable linear equations by algebraic methods.
MATH R015-Add, subtract, and multiply polynomials.
MATH R015-Add, subtract, multiply, divide and simplify rational expressions.
MATH R015-Solve rational equations.
MATH R015-Graph linear functions and write using function notation.

Requisite Justification

Requisite Type

Prerequisite

Requisite

MATH R002

Requisite Description

Course not in a sequence

Level of Scrutiny/Justification

Content review

Requisite Type

Prerequisite

Requisite

MATH R005

Requisite Description

Course not in a sequence

Level of Scrutiny/Justification

Content review

Requisite Type

Prerequisite

Requisite

MATH R011

Requisite Description

Course not in a sequence

Level of Scrutiny/Justification

Content review

Requisite Type

Prerequisite

Requisite

MATH R015

Requisite Description

Course not in a sequence

Level of Scrutiny/Justification

Content review

Requisite Type

Advisory

Requisite

MATH R014

Requisite Description

Course not in a sequence

Level of Scrutiny/Justification

Content review

Requisite Type

Advisory

Requisite

MATH R014B

Requisite Description

Course not in a sequence

Level of Scrutiny/Justification

Content review

Student Learning Outcomes (CSLOs)**Upon satisfactory completion of the course, students will be able to:**

- | | |
|---|--|
| 1 | Identify many of the consequences of scarcity, particularly at the micro level. |
| 2 | With the use of graphs, charts and diagrams, analyze how decisions are made in a market economy. |
| 3 | Calculate and interpret measures of elasticity. |
| 4 | Demonstrate an understanding of producer decisions in different market structures. |

Course Objectives**Upon satisfactory completion of the course, students will be able to:**

- | | |
|---|---|
| 1 | Identify many of the consequences of scarcity, particularly at the micro level. |
| 2 | Explain to the non-economist the fundamental economic problem of scarcity (and trade-offs); how decisions are made in a market economy; what it means for markets to fail and the role of government in finding solutions for market failure. |
| 3 | Distinguish how changes in opportunity cost affect decisions at the micro level (i.e. determine individual and market decisions). |
| 4 | Assess the effect of public policy (e.g. price controls, regulation etc.) upon markets, price of the product, availability and the general interests of the community. |
| 5 | Analyze the social justice dimensions of market and policy outcomes. |
| 6 | Identify key relationships between important variables and differentiate between correlation and causation, and between assumption and interpretation. |
| 7 | Apply graphical and simple algebraic tools to the analyses of problems and issues in business and public policy. |
| 8 | Compute the true economics costs of decisions, and demonstrate how it differs from the accounting costs; compute the true economic profits from a decision and demonstrate its importance and usefulness in the planning perimeter (as compared to accounting profits). |
| 9 | Compute marginal cost, marginal product and marginal revenue product, and be able to demonstrate the linkage between these and production and hiring decisions in market-based business environments. |

- 10 Apply marginal analysis effectively in decision-making in their daily lives and their careers.
- 11 Employ their discipline knowledge and skills at their next levels of education, and in service to the community.

Course Content

Lecture/Course Content

1. An Introduction to the Nature and Scope of Economic Analysis
 - a. The Central Problem of Scarcity, Choices, Trade-offs, and the Necessity of Resource Allocation
 - b. Resource Categories: Land, Labor, Capital and Entrepreneurship
 - c. Macro vs. Microeconomics
 - d. Positive and Normative Approaches
 - e. Economic Models, Theories, and the Assumption of Ceteris Paribus
 - f. Rational Self-Interest
 - g. Cost-Benefit and Marginal Analysis
 - h. Common Errors in Reasoning
2. Graphing Basics
 - a. Pie-charts, Bar Graphs and Trend Lines
 - b. Graphing the Relationship Between Variables, Concept of Dependent and Independent Variables
 - c. Slopes, the Concept of Marginal, Equation of a Straight Line
 - d. Graphing of Increasing, Constant and Decreasing Marginal Opportunity Cost
 - e. Graphing Shifts vs. Movements
3. The Market System and Price Determination
 - a. Consumer Sovereignty, Laissez Faire, Laws of Demand and Supply, Graphing of Demand and Supply, Equilibrium Price and Quantity, Concept of Relative Price, Shortage and Surplus
 - b. Derivation of Market Demand and Supply from Individual Demand and Supply via Horizontal Summation
 - c. Changes in Demand and Supply vs. Changes in Quantities of Demand and Supply (Shifts vs. Movements)
 - d. Normal and Inferior Products
 - e. Non-Price Determinants of Demand and Supply
 - f. Equilibrium Price and Quantity and Shifts in Demand and Supply
 - g. Simultaneous Shifts in Market Demand and Supply and Impact upon Market Price and Quantity
4. Consumer and Producer Surplus
 - a. Marginal Benefit and Marginal Cost
 - b. Consumer, Producer and Social Surplus
 - c. Making Decisions
 - d. Loss of Surplus in Non-Free Market Situations such as Price Controls and Minimum Wage
 - e. Increase in Surplus When Free Trade is Conducted (Imports and Export)
5. Economic Efficiency, Market Failures, Government Involvement and Impact of Government Involvement
 - a. Economic Efficiency
 - b. Monopolies and Anti-trust Regulation
 - c. Other Regulations, Taxation and Subsidies and Impact Upon the Market
 - d. Externalities and Output in an Unfettered Market, and the Rationale for Public Goods
 - e. Price Controls and Impact Upon the Market
 - f. Effect of Each of the Above Upon Consumer, Producer and Social Surplus
 - g. Theory of Public Choice
6. Theory of Consumer Choice
 - a. Utility Analysis, Marginal and Total Utility, Derivation of the Demand Curve, Consumer Equilibrium
 - b. Indifference Curve Analysis, Price, Income and Substitution Effects
7. Elasticity
 - a. Meaning, Interpretation, Evaluation, Magnitude, Categorization and Application of Elasticity
 - b. Types of Elasticity: Elasticity of Demand (Price, Income and Cross) and Supply (Price)
 - c. Calculation of Elasticity by the Averaging Method
 - d. Determinants of Elasticity
 - e. Elasticity and slope
 - f. Elasticity and Total Revenue and Appropriate Pricing Policy
 - g. Calculation and Interpretation of Income and Cross Elasticity of Demand and Elasticity of Supply, and Expected Signs after Initial Calculation
 - h. Elasticity and the Incidence of Tax
8. The Producer

- a. Advantages and Disadvantages of Each Business Organizational Option: Sole Proprietorships, Partnerships and Corporations (Including Hybrids such as the S-Corporation and the Limited Liability Corporations)
 - b. Output Analysis: Total, Marginal and Average Product and Labor Productivity
 - c. Short Run and the Long Run
 - d. Diminishing Marginal Returns
9. Costs and Profits
- a. What "Cost" Means in Economics: Opportunity Costs Re-visited, Explicit and Implicit Costs
 - b. Calculation and Significance of Economic Costs and Economic Profits in Decision Making vs. Accounting Costs and Accounting Profits
 - c. Economic Profit and Normal Profit
 - d. Calculation and Graphing Total, Marginal and Average Costs
 - e. Short Run: Fixed and Variable Costs
 - f. How the Marginal Cost and the Average Variable Costs Relate to the Marginal Physical Product and the Average Product, and Application of Diminishing Returns
 - g. Graphs for Fixed and Variable Total, Average and Marginal Costs
 - h. Long Run Costs, and Economies and Diseconomies of Scale
 - i. Market Structures Based Upon the Level of Competition
10. Perfect Competition
- a. Characteristics of the Market, the Distinction Between the Firm and the Market
 - b. Distinction Between Market and Firm's Demand Curves
 - c. Total, Average and Marginal Revenue
 - d. Profit Maximization Principle: Equating Marginal Revenue to Marginal Cost
 - e. Profit Maximization in the Short and Long Run
 - f. Comparison of Short and Long Run Profits, Costs and Output
 - g. Competitive Firm's Short Run Shut Down Point
11. Monopoly
- a. Characteristics of the Market, the Absence of Distinction Between the Firm and the Market
 - b. Profit Maximization in the Short and Long Run
 - c. Comparison of Short and Long Run Profits, Costs and Output
 - d. Comparison of Profits, Costs and Output with a Competitive Market
 - e. Price Discrimination
 - f. Natural and Regulated Monopolies
 - g. Technological Change and Contestable Markets Argument
12. Monopolistic Competition
- a. Characteristics of the Market, the Distinction Between the Firm and the Market
 - b. Significance of Product Differentiation
 - c. Profit Maximization in the Short and Long Run
 - d. Comparison of Short and Long Run Profits, Costs and Output
 - e. Comparison of Profits, Costs and Output with Competitive and Monopolistic Markets
13. Market Concentration: Oligopolies and Duopolies
- a. Characteristics of the Market
 - b. Definition and Commonly Used Measures of Market Concentration
 - c. Importance of Interdependence
 - d. Collusion, Price Leadership, Kinked Demand Model
 - e. Theory of Games and the Prisoner's Dilemma
14. Anti-Trust Regulations and Other Micro-economic Policy Issues
15. Labor Market
- a. Competitive Markets and Value of Marginal Product
 - b. Monopolistic Markets and Marginal Revenue Product

Laboratory or Activity Content

None.

Methods of Evaluation

Which of these methods will students use to demonstrate proficiency in the subject matter of this course? (Check all that apply):

Problem solving exercises
 Skills demonstrations
 Written expression

Methods of Evaluation may include, but are not limited to, the following typical classroom assessment techniques/required assignments (check as many as are deemed appropriate):

Computational homework
Essay exams
Essays
Individual projects
Objective exams
Problem-Solving Assignments
Problem-solving exams
Quizzes
Reports/papers
Skill tests

Instructional Methodology

Specify the methods of instruction that may be employed in this course

Audio-visual presentations
Computer-aided presentations
Collaborative group work
Class activities
Class discussions
Case studies
Distance Education
Field trips
Group discussions
Guest speakers
Instructor-guided interpretation and analysis
Internet research
Lecture
Small group activities

Describe specific examples of the methods the instructor will use:

1. Methods may include, but are not limited to:
 - a. Class lecture on a topic (such as a graph-assisted demonstration of the market mechanism) followed by an instructor-guided discussion of possible instances of market failures.
 - b. Small group discussion regarding the efficacy of a Macroeconomic policy (such as an increase in the Minimum Wage) followed by in-class written analyses by each group.
 - c. Informational lectures on a variety of topics such as the Federal budgetary process or the powers of the Fed in regard to setting policy, followed by a short recap quiz on the lecture.
 - d. Educational video clips (with either an historical context or a demonstration of application) shown in class to complement previously delivered theoretical lecture on the topic.
 - e. Following lectures on a subject with adequate clarifications, making data available to class, and letting students follow the guidelines of the lecture to analyze the data in small groups.
 - f. Calculations and problem-solving assignments offer an effective instructional mode involving learning through practice
 - g. Simulation exercises to test theories such as a small-scale in-class production venture that may test the theory of diminishing returns.

Representative Course Assignments

Writing Assignments

1. Summary and microeconomic analysis of articles such as the ones listed in this COR. The analysis must demonstrate a sound knowledge of economic principles, an ability to apply those principles to real world economic events, as well as critical thinking abilities.
2. Brief issues analysis essays on current Microeconomics topics and issues based upon research and reading.
3. Respond to questions and be able to clearly explain and discuss theoretical concepts such as a) the impact of a simultaneous change in demand and supply upon the price and quantity, or, b) the short run shut down point of a competitive firm, or, c) how firms find their profit maximizing levels of output.
4. Specific examples of such assignments could be:
 - a. Graphically demonstrate a right or left shift of the demand or supply curve.
 - b. Find the equilibrium price and quantity from the demand and supply graphs or equations.
 - c. Calculate the price, income or cross elasticities of demand using the the mid-point or averaging method.

Critical Thinking Assignments

1. Summary and analysis of articles on microeconomic issues. The analysis must demonstrate a sound knowledge of economic principles, an ability to apply those principles to real world economic events, as well as critical thinking abilities.
2. A critical, comparative, assessment of the arguments for and against efficiency and equity of the free market model. This would include critical assessment market failure, government failure, as well as that of alternative market structures. Such assessment may be done with objective testing, written analytical short essays, and class discussions.

Reading Assignments

1. The assigned textbook chapters.
2. Articles from the Wall Street Journal with microeconomics context, such as "Americans Stock Up on Booze," by Sabira Chaudhuri, (April 11-12, 2020); "Tariffs Exacerbate Hand Sanitizer Shortages," by Kay Steck Ferek and Josh Zumbrun, (April 13, 2020); "Oil Prices Drop As Total U.S. Fuel Inventories Rise," by Dan Molinski and Christopher Alessi, (September 7, 2018); "Folgers Wakes up to Evolving Tastes of Coffee Drinkers," Wall Street Journal, B8, by Gasparro, Annie, February 22, 2018); ". "Lumber Prices Soar on Shortages," by Benjamin Parkin, Wall Street Journal, B3, (March 3-4, 2018).or, the demonstration of market principles faced by corn cultivators, such as, "The World is Counting on Corn," (January, 2017). Such articles provide a convenient opportunity for critical and analytical reading.
3. Economic news reports about consumer behavior and market and business decisions.

Skills Demonstrations

None.

Outside Assignments

Representative Outside Assignments

1. Complete weekly assignments and chapter-check review quizzes and graphing and problem solving assignments for each chapter studied in the textbook, at the publisher's learning resource site -usually a free or paid supplement to the textbook.
2. Attend lectures and presentations on a variety of economic issues, and produce an analytical critique of the contents, thrust and coverage.
3. Conduct an outside class experiment to test any microeconomics theory studied in class.

Articulation

C-ID Descriptor Number

ECON 201

Status

Approved

Comparable Courses within the VCCCD

ECON R102H - Honors: Microeconomics

District General Education

A. Natural Sciences

B. Social and Behavioral Sciences

C. Humanities

D. Language and Rationality

E. Health and Physical Education/Kinesiology

F. Ethnic Studies/Gender Studies

CSU GE-Breadth

Area A: English Language Communication and Critical Thinking

Area B: Scientific Inquiry and Quantitative Reasoning

Area C: Arts and Humanities

Area D: Social Sciences

Area E: Lifelong Learning and Self-Development

CSU Graduation Requirement in U.S. History, Constitution and American Ideals:

IGETC

Area 1: English Communication

Area 2A: Mathematical Concepts & Quantitative Reasoning

Area 3: Arts and Humanities

Area 4: Social and Behavioral Sciences

Area 5: Physical and Biological Sciences

Area 6: Languages Other than English (LOTE)

Textbooks and Lab Manuals

Resource Type

Textbook

Description

Parkin, M. (2019). *Microeconomics (Latest)* (13th or latest). Pearson Publication.

Resource Type

Textbook

Description

McEachern, W.A., (2019). *Econ Micro* (6th). Cengage Publication.

Resource Type

Textbook

Description

Hubbard, R.G. O'brien, A.P. (2019). *Microeconomics (Latest)* (7th or latest). Pearson-Prentice Hall Publication.

Resource Type

Textbook

Description

Krugman, P. Wells, R. (2019). *Microeconomics in Modules. (Latest)* (4th or latest). MacMillanLearning Publication.

Resource Type

Textbook

Description

Miller, R. L. (2019). *Economics Today: The Micro View (Latest)* (19th or latest). Pearson Publication.

Resource Type

Other Resource Type

Description

Articles on Economic issues from Business Week, a weekly periodical published by McGraw-Hill Companies..

Resource Type

Other Resource Type

Description

Articles from the "Wall Street Journal", a daily newspaper specializing in business, economic and political news, published by the Dow Jones Company, New York..

Library Resources**Assignments requiring library resources**

Article analyses of articles with strong microeconomic content from such sources as the Wall Street Journal, Forbes etc.

Sufficient Library Resources exist

Yes

Example of Assignments Requiring Library Resources

Find two different recent articles in the Wall Street Journal, or any other reputable newspaper or periodical and show how the principles of demand and supply and analysis apply to each situation. Additionally, for additional credit, provide at least one real world business situation in which elasticity of demand and/or supply apply.

Distance Education Addendum**Definitions****Distance Education Modalities**

Hybrid (51%–99% online)

Hybrid (1%–50% online)

100% online

Faculty Certifications

Faculty assigned to teach Hybrid or Fully Online sections of this course will receive training in how to satisfy the Federal and state regulations governing regular effective/substantive contact for distance education. The training will include common elements in the district-supported learning management system (LMS), online teaching methods, regular effective/substantive contact, and best practices.

Yes

Faculty assigned to teach Hybrid or Fully Online sections of this course will meet with the EAC Alternate Media Specialist to ensure that the course content meets the required Federal and state accessibility standards for access by students with disabilities. Common areas for discussion include accessibility of PDF files, images, captioning of videos, Power Point presentations, math and scientific notation, and ensuring the use of style mark-up in Word documents.

Yes

Regular Effective/Substantive Contact

Hybrid (1%–50% online) Modality:

Method of Instruction	Document typical activities or assignments for each method of instruction
Other DE (e.g., recorded lectures)	PowerPoint class lectures with or without voice added, with follow up questions that will require responses in the assignment drop box of the LMS.
E-mail	Individualized assistance and consultation on any aspect of the class including but not limited to problem solving, questions from the learning resource supplement, or clarification of a graph or any aspect of a theory that the students have been assigned to study.

Hybrid (51%–99% online) Modality:

Method of Instruction	Document typical activities or assignments for each method of instruction
Asynchronous Dialog (e.g., discussion board)	Students may conduct an ongoing discussion on selected assigned microeconomic terminologies and demonstrate how well they are able to apply these to real world microeconomic situations.
E-mail	Individualized assistance and consultation on any aspect of the class including but not limited to problem solving, questions from the learning resource supplement, or clarification of a graph or any aspect of a theory that the students have been assigned to study.
Other DE (e.g., recorded lectures)	PowerPoint class lectures with or without voice added, with follow up questions that will require responses in the assignment drop box of the LMS.

100% online Modality:

Method of Instruction	Document typical activities or assignments for each method of instruction
Asynchronous Dialog (e.g., discussion board)	Students may conduct an ongoing discussion on selected assigned microeconomic terminologies and demonstrate how well they are able to apply these to real world microeconomic situations.
E-mail	Individualized assistance and consultation on any aspect of the class including but not limited to problem solving, questions from the learning resource supplement, or clarification of a graph or any aspect of a theory that the students have been assigned to study.
Other DE (e.g., recorded lectures)	PowerPoint class lectures with or without voice added, with follow up questions that will require responses in the assignment drop box of the LMS.
Video Conferencing	Weekly or periodic video conferencing (such as a Zoom conference) through which challenging concepts and theories and other general student concerns may be addressed.

Examinations

Hybrid (1%–50% online) Modality

Online
On campus

Hybrid (51%–99% online) Modality

Online
On campus

Primary Minimum Qualification

ECONOMICS

Review and Approval Dates

Department Chair

04/17/2020

Dean

04/17/2020

Technical Review

04/22/2020

Curriculum Committee

04/22/2020

Curriculum Committee

05/13/2020

CCCCO

MM/DD/YYYY

Control Number

CCC000561756

DOE/accreditation approval date

MM/DD/YYYY