

**Course** **ECON 2010 - Principles of Microeconomics (Semester course)**

Syllabus updated:

**Term** Fall Semester 2008

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**Course Description** Covers economic activity and growth, determination of income, employment, output, inflation, aggregate demand and supply, money and banking, monetary and fiscal policies, and international economic issues

**Prerequisites** None

**Learning Outcomes**

<b>Outcome</b>	<b>Expectation</b>
1. Students learn about introductory economics terms and concepts.	Students can describe scarcity, marginal analysis, opportunity cost, the difference between macroeconomics and microeconomics, and the ceteris paribus assumption.
2. Students learn about the production possibilities frontier.	Students can explain what a production possibilities frontier is, and how it can be useful in understanding economic trade-offs, as well as keys to economic growth.
3. Students learn how supply and demand works together to determine prices and output.	Students can describe the difference between supply and demand, factors that influence both supply and demand, and how the two work together to determine market prices and quantities observed.  Students can explain market forces may be prevented from working perfectly due to price controls, externalities, or the presence of public goods.  Students can apply supply and demand of products to the supply and demand for labor.
4. Students are familiar with basic national income accounting measures	Students can define the various national income accounting measures (e.g. GDP, GNP, NNP, NI, Inflation, Unemployment, etc.) They can discuss their calculation and their drawbacks as measures of well-being.
5. Students are comfortable with the theory and application of the Aggregate Demand and Aggregate Supply model.	Students can justify the downward slope of the Aggregate Demand curve. They can describe macroeconomic events that would cause the Aggregate Demand Curve to move.  Students can discuss the Aggregate Supply curve including the relevance of differing economic assumptions (e.g. Keynesian, Neo-Classical, etc.) on its shape. They can describe economic events that would cause the Aggregate Supply Curve to move.
6. Students understand Fiscal	Students can discuss the use of Fiscal Policy as both a counter-cyclical tool as well as a method

Policy.	of promoting growth in long-run supply.  Students can describe the relationship between Fiscal Policy and the federal budget and the implications of federal deficits on the macroeconomy.
7. Students understand Monetary Policy	Students can explain the use of Monetary Policy as a counter-cyclical tool. This includes the role of the Central Bank and the banking sector in the conduct of monetary policy.  Students can discuss the role of expectations in the ineffectiveness of monetary policy in producing long-term economic growth. This should include a basic understanding of Adaptive and Rational Expectations.
8. Students are familiar with basic International Economics.	Students can to justify the flow of trade based on the concept of Comparative Advantage. They can describe forms of trade protection and the impact of trade protection on national welfare.  Students can define the Balance of Payments accounts. And discuss the role of international flows of goods, services, and investments in the determination of exchange rates.

**Course Objective**

To establish a firm and common sense understanding of microeconomic theory and analytical methods to support Decision-Making in Business and Management

**Textbook and other Materials**

Economics for Today, Irvin Tucker, Third Edition, South-Western College Publishing

**Grading**

Exams:

Mid Term: 30%

Final 40%

Term Project 30%

**Activities**

**University Policies**

**Cheating**

Any student found cheating on any part of the course work (homework assignment, term paper, quiz, exam, etc.) will automatically be given an “F” for the course. Any student found to be helping another student to cheat will likewise be given an “F” for the course. In each case, the student will also be put on disciplinary probation for the remainder of her or his stay at Webster. If the student is found to have engaged in cheating a second time, s/he will be automatically expelled from the University.

**Attendance**

Class attendance is obligatory. Instructors will take attendance at each class session and reduce a student’s course grade by one-third of a letter grade for each full week of class missed. Any student who misses four or more full weeks of class will automatically be given an “F” for the course.

**Course Policies**

**Incoming  
Competence. (Of  
Students)**

- No fundamental aversion to hard work. (Essential)
- A well developed sense of humour. (Crucial)
- An interest in business realities. (Indispensable)

**Course Content and  
Assigned Readings  
from the textbook**

The Reading Assignments are subject to Change at the discretion of the instructor.

**Weekly Schedule**

Week 1	Introduction, Scarcity, Utility Chapters 1, 2
Week 2	Utility; Market Demand and Supply Chapter 3
Week 3	Market Demand and Supply (continued) Chapters 3 - 4
Week 4	Price Elasticity of Demand Chapter 5
Week 5	Price Elasticity of Supply Chapter 5
Week 6	Consumer Choice Theory Chapter 6
Week 7	Review Mid Term Exam
Week 8	Production Costs Chapter 7
Week 9	Production Costs (continued) Chapter 7
Week 10	Market Structures: Perfect Competition Chapter 8
Week 11	Market Structures: Imperfect Competition, Monopoly, Monopolistic Competition, Oligopoly Chapters 9 and 10
Week 12	Input Markets Chapter 11, Handouts
Week 13	Input Markets Chapter 11, Handouts
Week 14	International Trade and Finance Chapter 28
Week 15	Review Final Exam

**Term Project**

This will be a group project where students will be required to do a company/industry study. They will be required to show their ability to apply microeconomic theory to reality

**Additional  
Information**