

Course Outline

Department of Economics  
School of Business and Economics

ECON 1220-3  
Introduction to Basic Economics (3,0,0)

**Calendar Description**

Students develop a basic understanding of economic principles, which allows for and encourages informed discussion of media-covered issues. Topics include contrasting macroeconomics and microeconomics; gross domestic product; economic growth and business cycles; unemployment and inflation; aggregate supply and demand; scarcity, opportunity costs, and trade; law of supply and demand; accounting versus economic profits; money and exchange rates; government choices, markets, efficiency, and equity; monopoly and competition; externalities, public goods, and free riders; and globalization and trade policy

**Educational Objectives/Outcomes**

Upon completing this course, students will be able to:

1. Explain the differences between macroeconomics and microeconomics.
2. Describe the important measures of the performance of an economy.
3. Distinguish between nominal and real economic concepts.
4. Apply the concepts of scarcity and opportunity costs.
5. Describe how buyers and sellers compete and cooperate in markets.
6. Compare and contrast economic and accounting profits.
7. Discuss the economic costs of unemployment and inflation.
8. Explain the relationship between supply, demand, and prices in an economy.
9. Describe the concept of marginal.
10. Apply basic economic concepts to current events in the media.
11. Apply the concept of externalities to real world issues.
12. Compare and contrast monopoly and perfect competition.

**Prerequisites**

None

Note: Students will not receive credit for ECON 1220 unless it has been completed prior to earning a grade of C- or better in either ECON 1900 or ECON 1950.

**Co-requisites**

Revised May 2014

None

### **Texts/Materials**

Cohen, Avi and Ian Howe, Economics for Life, Pearson Canada, 2013.

### **Student Evaluation**

Assignments	0 - 25%
Quizzes	0 - 30%
Midterms	20 - 60%
Final exam	25 - 40%

### **Course Topics**

1. Macroeconomics and Microeconomics
  - Macroeconomics
  - Microeconomics
  - Government policy
2. GDP, Economic Growth, and Business Cycles
  - Nominal and real GDP
  - Business cycles
  - Well-being
3. Unemployment and Inflation
  - Unemployment rate
  - Natural rate of unemployment
  - Inflation rate
  - Phillips curve
4. Aggregate Supply and Aggregate Demand
  - Aggregate supply
  - Aggregate demand
  - Macroeconomic shocks
  - Business cycles
5. Scarcity, Opportunity Costs, and Trade
  - Scarcity
  - Opportunity costs
  - Comparative advantage
  - Circular flow

6. The Law of Demand and Supply
  - Willingness to pay
  - Marginal benefit
  - Marginal cost
  - elasticity
7. Opportunity Costs, Economic Profits and Losses, and the Miracle of the Markets
  - Accounting versus economic profit
  - Normal profit
  - Consumer and business decisions
8. Money and Exchange Rates
  - Functions of money
  - Central bank
  - Bond prices
  - Exchange rate markets
  - Purchasing power parity
9. Government Choices, Markets, Efficiency, and Equity
  - Government fixed prices
  - Price ceilings and price floors
  - Efficiency versus equity
  - Normative and positive
10. Monopoly and Competition
  - Market structures
  - Pure monopoly
  - Pure competition
  - Elasticity of demand
11. Externalities, Carbon Taxes, Free Riders, and Public Goods
  - Positive externalities
  - Negative externalities
  - Public goods
  - Free riders
12. Globalization and Trade Policy: Are Sweatshops All Bad?
  - Specialization and trade
  - Global competition
  - Role of the government

### **Methods for Prior Learning Assessment and Recognition**

As per TRU policy.

**Attendance Requirements – Include if different from TRU Policy**

As per TRU policy.

**Special Course Activities – Optional**

**Use of Technology – Optional**