

Course Outline

Department of Economics
School of Business and Economics

ECON 1900-3
Principles of Microeconomics (3,0,0)

Calendar Description

Students examine the interactions between individuals and firms in various types of markets. Topics include a definition of economics; demand and supply analysis; consumer theory; production and cost; market structure including perfect competition, monopoly, monopolistic competition, and oligopoly; market efficiency and market failure; resource markets; and international trade.

Educational Objectives/Outcomes

Upon completing this course, students will be able to:

1. Discuss economic problems in terms of scarcity, choice, and opportunity cost.
2. Analyze the impact of changes in exogenous variables using demand-supply analysis.
3. Explain how government regulations affect the operation of markets.
4. Develop elasticity concepts as measures of sensitivity.
5. Apply marginal analysis in determining the optimal choices of individuals and firms.
6. Identify the characteristic differences between various market structures including perfect competition, monopoly, and imperfect competition.

Prerequisites

Foundations of Math 11 with a B or better **or** Pre-calculus Math 11 **or** Principles of Math 11 with a C+ or better **or** Applications of Math 12 **or** equivalent **or** MATH 0510 **or** MATH 0530 **or** equivalent.

Completion of one of Principles of Math 12, Foundations Math 12, or Pre-calculus Math 12 is recommended

Co-requisites

Texts/Materials

Mankiw, Kneebone, McKenzie, Rowe, Principles of Microeconomics, 5th Canadian Edition,

Student Evaluation

Participation	0-20%
Assignments/quizzes	0-20%
Project	0-25%
Midterms	30-60%
Final Exam	30-50%

Course Topics

1. Definition of Economics
 - Scarcity, choice, and opportunity cost
 - Production possibility frontier
2. Demand and Supply Analysis
 - Law of demand
 - Supply curve
 - Market equilibrium
 - Elasticity measures
3. Consumer Theory
 - Marginal utility
 - Budget constraints and utility maximization
 - Deriving the individual demand curve
 - Market demand curve
4. Production and Cost
 - Short run: short run production function, costs in the short run
 - Long run: firm's production decision, costs in the long run
5. Market Structure
 - Perfect competition
 - Monopoly
 - Monopolistic competition, oligopoly and an introduction to game theory
6. Market Efficiency and Market Failure
 - Negative and positive externalities
 - Public goods
 - Problem of the commons
7. Resource Markets
 - Market demand and supply
 - Individual firm's demand under perfect competition

- Imperfectly competitive markets for factors of production

8. International Trade

- Comparative advantage and the gains from trade

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