COMMON COURSE OUTLINE: Course discipline/number/title: ECON 2214: Principles of Economics: Micro

A. CATALOG DESCRIPTION
   1. Credits: 4
   2. Hours/Week: 4
   3. Prerequisites (Course discipline/number): College level reading and writing, MATH 1113 or MATH 1115 or permission of instructor.
   4. Co-requisites (Course discipline/number): None
   5. MnTC Goals (if any): Goal 2/Critical Thinking, Goal 5 History, Social, and Behavioral Sciences, Goal 10/People and the Environment

This course provides in depth understanding of microeconomic behaviors by consumers and business leaders in markets that illustrate perfect competition, monopoly, oligopoly, and monopolistic competition. Concepts include supply and demand, marginal analysis, efficient resource allocation, and profit or loss. Contemporary issues may include wage determination, or income distribution, or regulation of industry, or irregularities like price discrimination. Public policy perspectives may include economic insight about externalities (such as climate control, education, vaccines, pollution, or over-population).

B. DATE LAST REVISED (Month, year): February, 2014

C. OUTLINE OF MAJOR CONTENT AREAS:
   1. An in-depth introduction to efficiencies in product and resource markets resulting from microeconomic decisions made by consumers and firms.
   2. The microeconomics of budget constraints and indifference curves, and of profit and loss calculations within various market structures.
   3. A focus on limitations of the market in the presence of positive and negative externalities, with emphasis on real world applications to public policy choices.

D. LEARNING OUTCOMES (GENERAL): The student will be able to:
   1. Describe what, how, and for whom goods and services are produced in the United States and abroad using market determined results.
   2. Assess the importance that private property, market mechanisms, and freedom of choice have played in lifting mankind toward an interdependent, economically developing world.
   3. Use graphs of demand and supply to determine price and quantity within markets; explain effects that changes in demand and supply have upon prices; list the items which change demand and items which change supply.
   4. Convert schedules of price and quantity into demand and supply curves, and use the phrase change in quantity demanded or change in quantity supplied correctly.
   5. Explain how elasticity measures responsiveness of any dependent variable such as quantity demanded to a change in any independent variable such as price.
   6. Explain how a price ceiling works and show how a rent ceiling might create a housing shortage and inefficiency; explain how a price floor works and show how a minimum wage or an agricultural price support may create unemployment or an agricultural surplus and inefficiency.
   7. List alternative methods of allocating scarce goods, services, and resources, but focus on explaining why markets might provide the most efficient allocation.
   8. Explain why negative externalities (like pollution) lead to inefficient overproduction; explain why positive externalities (like education and vaccines) lead to inefficient underproduction.
   9. Use reasoning or graphs to show that property rights or pollution charges or taxes might correct negative externalities, and how public provision, subsidies, vouchers, and patents might enhance positive externalities.
   10. Use graphs to point out how economists’ measure a firm’s cost of production and profits; explain how output and price are determined.
   11. Compare performance of monopoly with that of perfect competition, oligopoly, and monopolistic competition.
   12. Use game theory (or use the kinked demand theory) to explain how price and quantity are determined in oligopoly.
   13. Explain how taxes and subsidies might distort consumer and producer behavior.
   14. Explain how over-regulation might distort price and outcomes preventing an efficient allocation of goods, services, or resources.
   15. Explain why monopoly, or price discrimination, or predatory pricing, or dumping might disrupt an efficient allocation of goods, services, or resources.
D. LEARNING OUTCOMES (GENERAL): The student will be able to:
16. Distinguish between rival and non-rival and between excludable and non-excludable goods and services, and show how these characterizations result in the economics of private goods, public goods, and common resources.
17. Use the “Tragedy of the Commons” from British history to propose remedies to overuse of commonly owned resources. Cite an example of a free-rider problem.
18. Explain how value of marginal product determines demand for a factor of production.
20. Explain why governments redistribute income. Describe the positive effect redistribution may have on inequality and poverty, and the negative effect redistribution may have on future economic growth.

E. LEARNING OUTCOMES (MNTC):
Goal 2/Critical Thinking: Students will be able to:
1. Gather factual information and apply it to a given problem in a manner that is relevant, clear comprehensive, and conscious of possible bias in the information selected.
2. Imagine and seek out a variety of possible goals, assumptions, interpretations, or perspectives, which can give alternative meanings or solutions to given situations or problems.
3. Analyze the logical connections among the facts, goals, and implicit assumptions relevant to a problem or claim; generate and evaluate implications that follow from them.
4. Recognize and articulate the value assumptions, which underlie and affect decisions, interpretations, analyses, and evaluations made by ourselves and others.

Goal 5/History, Social, and Behavioral Sciences: Students will be able to:
1. Use and critique alternative explanatory systems and theories.
2. Employ the methods and data that behavioral scientists use to investigate the human condition.

Goal 10/People and the Environment: Students will be able to:
1. Evaluate critically environmental and natural resource issues in light of understanding about interrelationships, ecosystems and institutions.
2. Propose and assess alternative solutions to environmental problems.
   Articulate and defend the actions they would take on various environmental issues.

F. METHODS FOR EVALUATION OF STUDENT LEARNING:
Instructors may use any or all of the following:
1. Unassisted exams and/or quizzes  (i.e., Closed book, closed notes)
2. Homework or assigned problems
3. Group or team projects
4. Class participation
5. Papers, essays, journals, notebooks, or presentations
6. Service learning activities

G. RCTC CORE OUTCOME(S) ADDRESSED:
☐ Communication ☐ Civic Responsibility
☒ Critical Thinking ☐ Personal/Professional Accountability
☐ Global Awareness/Diversity ☐ Aesthetic Response

H. SPECIAL INFORMATION (if any): None