

GRANDE PRAIRIE REGIONAL COLLEGE
DEPARTMENT OF ARTS, EDUCATION AND COMMERCE

EC 1010

INTRODUCTION TO MICROECONOMICS

INSTRUCTOR: EBBY ASLANI FALL 1995
OFFICE: C 423
PHONE: 539 2973
OFFICE HRS: Mon., Wed., Fri. 11:00 - 12:00
or By appointment

COURSE OBJECTIVES:

To introduce students to the basic concepts and techniques of microeconomic analysis. Attention will be paid to the theory of supply and demand, concepts of elasticity and utility, efficiency implications at competitive and non-competitive markets, government intervention, and management of external benefits. Whenever possible, emphasis will be given to Canadian problems.

- * High school level of algebra will be used extensively in this course.

TEXT BOOK:

Principal Text: Blomqvist, Wonnacott and Wonnacott
Microeconomics, Fourth Edition, McGraw-Hill Ryerson, 1994.

Study Guide to Accompany Microeconomics, McGraw-Hill
Ryerson, 1994.

- * Also, you may find it useful to review the following texts;

Microeconomics, in a Canadian setting, Fellows, Flanagan,
Shedd and Waud, Harper collins, 1993.

Economics, Sixth Edition, Samuelson, Nordhaus and McCallum,
McGraw-Hill Ryerson, 1988.

Economics, Eighth Canadian Edition, Lipsey, Purvis and
Courant, Harper Collins, 1994.

Annual Editions, Economics 94/95, The Dushkin Publishing
group, 1994.

STUDENT EVALUATION:

Grade will be assigned on the bases of student performance in two assignments, two multiple choice exams, one 50 minute mid-term exam, and one 3-hour final exam. The exam's dates and weights are as follows:

Assignment #1	Monday, Oct. 2	10%
Mul.- Choice Exam #1	Monday, Oct. 23	10%
Mid-Term Exam	Monday, Oct. 30	20%
Assignment #2	Monday, Nov. 20	10%
Mul.- Choice Exam #2	Monday, Nov. 27	10%
Final Exam		40%

GRADE DETERMINATION:

1. After each assignment or examination is graded, I shall calculate the average grade for class. Sometimes the average will be low because of difficulty of the question and/or the high standard required while grading. When this happens, I shall calculate an adjustment factor, Y, according to the formula

$$Y = (\text{"desired" average grade}) / (\text{actual average grade})$$

where for a normal class, the "desired" average grade will be equal to 68. Thus $Y > 1$, then each individual's grade will be adjusted by multiplying the actual grade on the assignment (or examination) by the adjusted factor, Y. This adjusted grade is registered in the class records. [If the average grade for the class is above the "desired average grade" no adjustment will take place.]

2. All adjusted grades are first recorded as percentages. After the final exam, the weighted average (.2 mid-term exam, .1 each assignment, .1 each multiple choice and .4 final-exam) of the percentages will be converted to the college nine-point system according to the following table:

9 = 90% - 100%	4 = 50% - 56%
8 = 80% - 89%	3 = 45% - 49%
7 = 72% - 79%	2 = 26% - 44%
6 = 65% - 71%	1 = 0% - 25%
5 = 57% - 64%	

NOTE: Except for the adjustment of the raw grades of assignment or exams, grades are not changed. Moreover, the final grades are not determined with reference to any curve. As well, at any point of time student may find out exactly where he/she stands (compared with his/her goal.)

COURSE OUTLINE:

The suggested articles are generally considered to be an important and helpful approach to students understanding of text materials. You will find them under reserved section in library or in my office.

A. INTRODUCTION

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|----|---|-------|
| 1. | Economic Problems and Economic Goals | Ch. 1 |
| 2. | Scarcity and Choice, the Economic Problem | Ch. 2 |

S. E. Rhoads, "Kind Hearts and Opportunity Costs",
Annual Edition, Economics 94/95, Article 1, PP. 6-11,
The Dushkin Publishing Group, 1994.

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| 3. | Specialization, Exchange, and Money | Ch. 3 |
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B. FOUNDATIONS OF MICROECONOMIC ANALYSIS:

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| 1. | Demand, Supply, The Market Mechanism | Ch. 4 |
| 2. | The Economic Role of the Government | Ch. 5 |
| 3. | The Concept of Elasticity | Ch. 6 |
| 4. | Consumer Theory of Demand | Ch. 7 |

C. The Theory of Production

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| 1. | The Firm and the Cost of Production | Ch. 9 |
| 2. | Supply in a Perfectly Competitive Market | Ch. 10 |
| 3. | Perfect Competition and Economic Efficiency | Ch. 11 |

D. The Market Mechanism: Some Problems:

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| 1. | Monopoly | Ch. 12 |
| 2. | Monopolistic Competition and Oligopoly | Ch. 13 |
| 3. | Government Regulation of Business | Ch. 14 |

E. Factor Pricing and Income Distribution

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|----|---|--------|
| 1. | Wages in a Perfectly Competitive Market | Ch. 15 |
| 2. | Wages in Imperfect Competitive Market | Ch. 16 |
| 3. | Rent, Interest, and Capital | Ch. 17 |
| 4. | Income Inequality | Ch. 18 |

F. Microeconomic Issues of Our Time:

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|----|---|--------|
| 1. | What are the Gains From International Trade | Ch. 19 |
| 2. | International Trade | Ch. 20 |
| 3. | Public Goods and Public Choice | Ch. 23 |

* * Due to the limited time, we may not be able to cover all of the above, but we will try.

NOTES:

1. Because economics is a study of human behaviour and heavily depends on theoretical framework than a body of information, it is important that attendance at lectures be regular. The best way to learn economics is to engage in the step by step development of the theory.
2. It is strongly advisable that the appropriate chapters are read prior to each lecture since this is generally considered to be an important and helpful approach to the study of economics.
3. The accompanying study guide provides an excellent means whereby students may test themselves about their understanding of the text materials.
4. Failure to withdraw from the course before the official withdrawal deadline may result in an "F" grade because a mark of 0% will be assigned to the incomplete portion of the course work.
5. Absence from the class will not be accepted as a legitimate reason for failure to attend an exam on time.
6. Students are advised to consult the academic schedule, published in the College Calender, as to the dates set aside for scheduling of final exams and not to make plans for travel, holidays, employment, etc. which would affect their availability to write an exam on any of those days until the final exam schedule is determined.
7. Students are encouraged to contact the instructor regarding any questions pertaining to course materials or their performance in the course. Remember that your instructor is here to help you learn, not to make things hard for you. It is a great pleasure to see you in the office for consultation and discussion regarding the course, whenever you feel the need.....

BEST WISHES