

# PRINCIPLES OF MICROECONOMICS DESCRIPTOR

## General Course Description:

This is an introductory course focusing on choices of individual economic decision-makers. Topics include scarcity, specialization and trade, market equilibrium, elasticity, production and cost theory, market structures, factor markets, and market failure.

## Course Content:

1. Fundamentals of Economic Thinking
  - a. Scarcity
  - b. Opportunity Costs
  - c. Production Possibilities
  - d. Marginal Analysis
  - e. Rational Behavior
  - f. Positive v. Normative Distinction
2. How Markets Operate
  - a. Definition of a market
  - b. Factors of production
  - c. Supply and demand
  - d. Price mechanism
  - e. Producer and consumer surplus
  - f. Price controls
3. Elasticity
4. Consumer demand
5. Production and cost in the firm
  - a. Introduction to the production function
  - b. Marginal and average product
  - c. Law of diminishing returns
  - d. Explicit and implicit cost
  - e. Accounting profit v. economic profit
  - f. Total cost, average cost and marginal cost in short-run
  - g. Short-run production decisions
  - h. Long run average cost curve
  - i. Economies and diseconomies of scale
6. Market structures
  - a. Perfect competition
  - b. Monopoly
  - c. Monopolistic competition
  - d. Oligopoly

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7. Introduction to factor markets
8. Market failure and public policy
9. Specialization and gains from trade

Course Objectives: *At the conclusion of this course, the student should be able to:*

1. Utilize the concept of scarcity to explain economic trade-offs, opportunity costs, and rational behavior.
2. Calculate and interpret measures of elasticity.
3. Demonstrate how markets function and what happens in the presence of market failures.
4. Analyze production and costs of the firm.
5. Demonstrate how firms attempt to optimize their objectives in response to price signals under a variety of market structures in the short and long-run.

Methods of Evaluation:

Assessed written work is recommended for this course and may include any of the following (colleges are encouraged to work with local CSU and UC departments to determine writing requirements):

Current event analysis

Term papers

Essay questions on exams

Exams and Quizzes containing one or more:

Multiple Choice questions

Short answers

Problem Solving

True/False

Essays

Homework Problem Sets

Presentations

Debates and class discussion

Group projects

Experiments

Sample Textbooks, Manuals, or Other Support Materials

These are two-semester textbooks covering both Macroeconomics and Microeconomics. The one-semester edition covering only Microeconomics is acceptable.

Arnold, R. A. *Economics*. Mason, OH: Cengage Learning.

## PRINCIPLES OF MICROECONOMICS DESCRIPTOR

Boyes, W., Melvin, M., *Economics*. Mason, OH: Cengage.

Case, K. E., Fair, R. C., & Oster, S. M. *Principles of economics*.  
Boston: Prentice-Hall.

Colander, D. *Economics*. New York: McGraw-Hill Irwin.

Cowen, T., & Tabarrok, A. *Modern principles of economics*.  
New York: Worth.

Frank, R. H., & Bernanke, B. S. *Principles of economics*.  
New York: McGraw-Hill Irwin.

Hubbard, R. G., & O'Brien, A. P. *Economics*. Boston: Pearson.

Krugman, P. & Wells, R. *Economics*. New York: Worth.

Mankiw, N. G. *Principles of economics*. Mason, OH: Cengage Learning.

McConnell, C. R., Brue, S. L., & Flynn, S. M. *Economics: Principles, problems  
and policies*. New York: McGraw-Hill Irwin.

Miller, R. L. *Economics today*. Boston: Pearson.

Rittenberg, L., & Tregarthen, T. *Principles of economics*. Flat World Knowledge.

Schiller, B. R. *The economy today*. New York: McGraw-Hill Irwin.

Sexton, R. L. *Exploring economics*. Mason, OH: Cengage Learning.

Slavin, S. *Economics*. New York: McGraw-Hill Irwin.

Tucker, I. B. *Economics for today*. Mason, OH: Cengage Learning.

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