



South Central College

ECON 120 Principles of Microeconomics

Course Outcome Summary

Course Information

Description	Microeconomics is the study of how people, businesses, governments, and other institutions make economic decisions. Topics include market price determination, income determination, resource allocation, and impacts of government policies. (Prerequisites: Must have a score of 78 or higher on the reading portion of the Accuplacer test or complete READ 0090 with a grade of C or higher.) This course satisfies MnTC goal areas 5 (History and the Social and Behavioral Sciences) and 9 (Ethical and Civic Responsibility).
Total Credits	3
Total Hours	48

Types of Instruction

Instruction Type	Credits/Hours
Lecture	3/48

Pre/Corequisites

Must have a score of 78 or higher on the reading portion of the Accuplacer test or complete READ 0090 with a grade of C or higher.

Institutional Core Competencies

Civic Engagement and Social Responsibility - Students will be able to demonstrate the ability to engage in the social responsibilities expected of a community member.

Course Competencies

1. Describe the economic method.

Learning Objectives

- Define Economics.
- Apply the scientific method in economics.
- Explain scarcity and opportunity costs.
- Apply the production possibility curve model.

2. Analyze major economic institutions.

Learning Objectives

- Analyze fundamental questions facing all economies.
- Describe trends in income distribution, poverty, and economic growth in the U.S.
- Differentiate between different economic systems.

Explain the potential efficiency of market systems.
Explain market failures.
Contrast views of what a good economy should accomplish.

3. Analyze markets with the concepts of supply and demand.

Learning Objectives

Define demand and supply.
Identify determinants of demand.
Identify determinants of supply.
Determine equilibrium price and quantity with a demand/supply diagram.
Explain shortages and surpluses with a demand/supply diagram.
Demonstrate market impacts of price floors and ceilings with a demand/supply diagram.

4. Describe elasticities.

Learning Objectives

Define price elasticity of demand intuitively and mathematically.
Describe determinants of price elasticity of demand and supply.
Calculate price elasticity of demand.
Explain how price elasticity of demand affects total revenue when prices change.
Describe price elasticity of supply.
Describe cross elasticity.
Describe income elasticity.

5. Explain consumer behavior.

Learning Objectives

Explain utility.
Explain how marginal utility determines the quantity a consumer will purchase.
Determine the optimal combination of goods a consumer will purchase.
Describe shortcomings in the utilitarian view of human behavior.
Describe behavioral economics.

6. Describe production costs.

Learning Objectives

Distinguish between explicit and implicit costs.
Distinguish between the short run and the long run in production.
Describe marginal product.
Describe diminishing marginal returns.
Explain total costs, fixed costs, and variable costs.
Explain per unit costs.
Describe marginal costs.
Explain economies and diseconomies of scale.
Explain long run average costs.

7. Analyze perfectly competitive markets.

Learning Objectives

Identify characteristics of perfectly competitive markets.
Model a perfectly competitive market with graphs.
Determine the profit maximizing output for a competitive firm.
Demonstrate graphically economic profit or economic loss for a competitive firm.
Determine whether a competitive firm having an economic loss should produce in the short run or shut down.
Explain long run firm entry or exit in a perfectly competitive market.
Explain allocative and productive efficiency in a perfectly competitive market.
Evaluate the public policy case for maintaining competition in markets.

8. Analyze monopoly markets.

Learning Objectives

Identify characteristics of a monopoly.
Explain causes for monopoly.
Determine graphically the profit maximizing price and output under monopoly.

Explain the loss of efficiency under monopoly.
Explain legal restrictions on monopoly.
Describe natural monopoly.
Describe the regulation of monopolies and evaluate the social benefit of regulation.

9. Analyze monopolistic competition and oligopoly.

Learning Objectives

Identify characteristics of monopolistic competition.
Identify similarities of monopolistic competition to both competitive markets and monopoly.
Determine graphically the profit maximizing price and output for a monopolistically competitive firm.
Demonstrate less efficient operations under monopolistic competition compared with perfect competition.
Demonstrate normal profits in the long run under monopolistic competition.
Identify characteristics of oligopoly.
Identify potential social benefits and harms from oligopoly markets.
Measure market concentration with concentration ratios and the Herfindahl index.
Model firm behavior under oligopoly using game theory.

10. Describe markets for productive resources.

Learning Objectives

Explain how a firm will determine how much of a resource to hire using marginal revenue product.
Explain determinants of demand for productive resources.
Explain how marginal revenue product determines incomes for factors of production.
Determine the optimal combination of productive resources that a firm will hire.
Contrast competing ethical foundations in controversies over income distribution.

11. Analyze the labor market.

Learning Objectives

Demonstrate graphically employer and labor surplus in a competitive labor market.
Explain monopsony in a labor market.
Determine graphically the wage offered and the number of workers employed in a monopsony labor market.
Explain the impact of unions on labor markets.
Describe work conditions that encourage workers to organize into unions.
Evaluate varying views of how the minimum wage impacts labor markets.
Describe human capital.
Analyze controversies over growing income inequality.

12. Explain market failure and the role of government in market economies.

Learning Objectives

Review potential efficiencies in market economies.
Describe reasons for market failure.
Explain why governments may intervene to correct market failure.
Describe public goods.
Explain optimal provision of public goods.
Describe positive and negative externalities.
Describe government interventions to correct externalities.
Describe market-based remedies for negative externalities.
Evaluate competing ideological views on the application of the market failure concept to public policy.
Explain public choice theory.

13. Analyze taxation and public expenditures.

Learning Objectives

Identify taxes and expenditures at the local and federal levels.
Explain tax progressivity.
Contrast and evaluate competing concepts of tax fairness.
Identify different kinds of taxes.
Describe ways to evaluate taxes for efficiency and equity.

14. Analyze international trade.

Learning Objectives

Explain why individuals and nations trade.

Distinguish between absolute advantage and comparative advantage as explanations for trade.

Identify comparative advantages in examples of two trading countries, and demonstrate benefits from trade for both countries.

Explain the roles of major global economic institutions, and evaluate controversies surrounding their policies.

Explain globalization and identify trends in trade.

Describe and evaluate policies that restrict trade.

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