

ECO 251 Principles of Microeconomics

COURSE DESCRIPTION:

Prerequisites: ENG 002 or DRE 097; MAT 003 or DMA 010, DMA 020, DMA 030

Corequisites: None

This course introduces economic analysis of individual, business, and industry choices in the market economy. Topics include the price mechanism, supply and demand, optimizing economic behavior, costs and revenue, market structures, factor markets, income distribution, market failure, and government intervention. Upon completion, students should be able to identify and evaluate consumer and business alternatives in order to achieve economic objectives efficiently. *This course has been approved to satisfy the Comprehensive Articulation Agreement for the general education core requirement in social/behavioral sciences.*

Course Hours per Week: Class, 3. Semester Hours Credit, 3.

LEARNING OUTCOMES:

Upon completing requirements for this course, the student will be able to:

1. Understand that economics is about the allocation of scarce resources, that scarcity forces choice, tradeoffs exist and that every choice has an opportunity cost. Be able to demonstrate these concepts using a production possibility frontier diagram.
2. Understand how comparative advantage provides the basis for gains through trade.
3. List the determinants of the demand and supply for a good in a competitive market and explain how demand and supply together determine equilibrium price.
4. Understand the role of prices in the efficient allocation of scarce resources in market economies. Be able to explain the consequences of price controls.
5. Define an externality and a public good and why explain the presence of externalities and public goods make markets inefficient. Analyze various government policies aimed at solving these inefficiencies.
6. Understand the costs of production and how profit-maximizing firms determine how much to produce. Be able to distinguish between long-run decisions and short-run decisions.
7. Distinguish the four market structures of perfect competition, monopoly, monopolistic competition and oligopoly. Be able to explain welfare loss in non-competitive markets.

OUTLINE OF INSTRUCTION:

- I. Fundamentals of Exchange
 - A. Scarcity and Choice
 - B. Demand and Supply
 - C. Markets
 - D. Elasticity
- II. Competition and Constraints
 - A. Production Concepts
 - B. Costs and Profit Maximization
 - C. Monopoly
 - D. Market Failures and Solutions

REQUIRED TEXTBOOK AND MATERIAL:

The textbook and other instructional material will be determined by the instructor.