

Northern Marianas College

CURRICULUM ACTION REQUEST

Effective Semester / Session: Fall 2020

Type of Action:

- New
- Modification
- Move to Inactive (Stop Out)
- Cancellation

Course Alpha and Number: EC 212

Course Title: Principles of Microeconomics

Reason for initiating, revising, or canceling:

This course guide has been updated to reflect the change in the textbook.

Wilhelm Maui
Wilhelm Maui 05/27/20

Proposer Date
Jan
Velma C. Deleon Guerrero 05/28/20

Interim Director, School of Business Date
Adam Walsh
Adam Walsh 05/28/20

Language & Format Review Specialist Date
Ajani Burrell
Ajani Burrell 05/28/20

Academic Council Chair Date
Charlotte Cepeda
Charlotte Cepeda

Dean, Learning and Student Success Date

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Course Guide

Course: EC 212 – Principles of Microeconomics

1. Department

School of Business

2. Purpose

This is the second principles of economics course which follows the principles of macroeconomics course (EC 211). The focus of this course is on the laws, principles, policies and issues that are microeconomics in nature. Topics will include the extension of demand and supply analysis; the theory of consumer behavior; the theory of the firm; the different market structures; technology and research & development; resource pricing; resources allocation efficiency; market externalities, and others. This course fulfills a requirement for the B.S. in Business Management, the B.S. in Business Management Accounting Concentration, an AA in Business degree and may be an elective course for the degree programs under the school of Business and the Liberal Arts degree program. It will equip students with knowledge and skills to deal with daily economic issues encountered in academics, in business, and in personal life. It may also benefit individuals interested in gaining knowledge and skills for looking at things from an economic perspective.

3. Description

A. Required/Recommended Textbook(s) and Related Materials

Required:

McEachern, William A. (2019). *Micro Econ: Principles of Microeconomics 6th ed.* Boston: Cengage.

Readability level: College Level

B. Contact Hours

1. **Lecture:** 3 hours per week / 45 hours per semester
2. **Lab:** None
3. **Other:** None

C. Credits

1. **Number:** 3
2. **Type:** Regular Degree Credits

D. Catalogue Course Description

This is the second principles of economics course which follows the principles of macroeconomics course (EC 211). The focus of this course is on the laws, principles, policies and issues which are microeconomics

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in nature. Topics will include the extension of demand and supply analysis; the theory of consumer behavior; the theory of the firm; the different market structures; technology, research & development; resource pricing; resources allocation efficiency; market externalities, etc. Prerequisite: CS 103 and EC 211. English Placement Level: EN 202. Math Placement Level: MA 132.

E. Degree or Certificate Requirements Met by Course

This is a required course for the B.S. in Business Management, the B.S. in Business Management Accounting Concentration, and the A.A. degree in Business. It is also an elective course in other degree programs in Business Administration and for the AA degree in Liberal Arts.

F. Course Activities and Design

This course will consist of class lectures, in-class exercises, homework assignments, online exercises, essays, and tests and quizzes. Exercises and homework will come from the textbook and from the Web site that supports the textbook.

4. Course Prerequisite(s); Concurrent Course Enrollment; Required English/Mathematics Placement Level(s)

Prerequisites: CS 103 and EC 211

English Placement Level: EN 202

Math Placement Level: MA 132

5. Estimated Cost of Course; Instructional Resources Needed

Cost to the College: Instructor's salary

Cost to the Student: Tuition for a 3 credit course, and the cost of the textbook.

Instructional resources needed for this course include, whiteboard, dry erase markers, and multi-media system.

6. Method of Evaluation

Student learning will be evaluated on by essays, tests, quizzes, and homework assignments.

NMC's grading and attendance policies will be followed.

7. Course Outline

This is a topical outline and does not necessarily indicate the sequence in which the material will be presented.

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- 1.0 Demand and Supply Analysis
 - 1.1 Price elasticity of demand and supply
 - 1.2 Cross elasticity
 - 1.3 Income elasticity of demand
 - 1.4 Consumer and producer surplus

- 2.0 Consumer Behavior and Utility Maximization
 - 2.1 Law of diminishing marginal utility
 - 2.2 Theory of consumer behavior
 - 2.3 Utility maximization and demand curve

- 3.0 The Costs of Production
 - 3.1 Economic costs
 - 3.2 Short- and long run production costs relationships

- 4.0 Pure Competition
 - 4.1 Four market models
 - 4.2 Profit maximization
 - 4.3 Marginal cost and short-run-run supply
 - 4.4 Efficiency

- 5.0 Pure Monopoly
 - 5.1 Barriers to entry
 - 5.2 Monopoly demand
 - 5.3 Output and price determination
 - 5.4 Economic effects of monopoly
 - 5.5 Price discrimination
 - 5.6 Regulated monopoly

- 6.0 Monopolistic Competition and Oligopoly
 - 6.1 Price and output in monopolistic competition
 - 6.2 Product variety
 - 6.3 Oligopoly behavior
 - 6.4 Three oligopoly models
 - 6.5 Oligopoly and advertising
 - 6.6 Oligopoly and efficiency

- 7.0 Technology, R&D, and Efficiency
 - 7.1 Invention, innovation, and diffusion
 - 7.2 Role of entrepreneurs, and other innovators
 - 7.3 A firm's optimal amount of R&D

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- 7.4 Increased profit via innovation
- 7.5 Imitation and R&D incentives
- 7.6 Role of market structure
- 7.7 Technological advance and efficiency

- 8.0 The Demand for Resources
 - 8.1 Significance of resource pricing
 - 8.2 Marginal productivity theory of resource demand and income distribution
 - 8.3 Determinants and elasticity of resource demand
 - 8.4 Optimal combination of resources

- 9.0 Wage Determination
 - 9.1 Labor, wages, and earnings
 - 9.2 A purely competitive labor market
 - 9.3 Monopoly models
 - 9.4 Three union models
 - 9.5 Wage differentials
 - 9.6 Pay for performance

- 10.0 Rent, Interest, and Profit
 - 10.1 Economic rent
 - 10.2 Interest
 - 10.3 Economic profit
 - 10.4 Income shares

- 11.0 Government and Market Failure
 - 11.1 Public goods
 - 11.2 Externalities
 - 11.3 Information failures

8. Instructional Goals

This course will introduce students to:

- 1.0 The extension of the demand and supply analysis to include the concept of elasticity and how to apply it in economic analysis, given hypothetical situations;

- 2.0 The marginal benefit and marginal cost analysis and how to apply it to consumer behavior and the behavior of the firm;

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- 3.0 The different type of production costs, how to calculate them, and illustrate them graphically, given hypothetical situations;
- 4.0 The concept of economic profit, how to calculate it, and identify the vital role that it plays in the market economy;
- 5.0 The different market structures--competition, monopoly, oligopoly, and monopolistic completion--and the efficiency of each one in meeting the economic needs of the society;
- 6.0 Demand for resources, as a derived demand; the four basic types of resources (factors or inputs) of production; and how these inputs are best combined in the production process to minimize cost;
- 7.0 The concept of wage and how it is calculated; the difference between nominal and real wages; the factors that contribute to differences in wage levels in the economy; and the pros and cons of the minimum wage policy;
- 8.0 The returns to the other factors of productions—namely rent, interest and profit—and how to derive them; the important roles played by rent, interest, and profit in the economy; and factors that may influence the different levels of each one of them; and
- 9.0 The difference between public and private goods; the concept of externalities (or market failures) and how they lead to government intervention in the market place.

9. Student Learning Outcomes

Upon successful completion of this course, students will be able to:

- 1.0 Apply the concept of elasticity to demand and supply analysis;
- 2.0 Assess the relationship between consumer and firm behavior and marginal benefit and cost analysis;
- 3.0 Illustrate the different types of production costs;
- 4.0 Analyze the role that economic profit plays in the market economy;

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- 5.0 Compare the efficiency of the different market structures – competition, monopoly, oligopoly, and monopolistic completion – in meeting the economic needs of society;
- 6.0 Construct a production process in which cost is minimized and which identifies the derived demand for resources and the four basic types of resources;
- 7.0 Discuss the factors related to the differences in wage levels in the economy;
- 8.0 Identify the roles played by and the factors that may influence rent, interest, and profit in the economy;
- 9.0 Apply economic analysis to the use of renewable and nonrenewable natural resources; and
- 10.0 Distinguish between the types of taxes, income sources, and expenditure patterns inherent in local, state, and federal government.

10. Assessment Measures

Assessment of student learning may include, but not be limited to, the following:

- 1.0 Tests and quizzes;
- 2.0 Homework assignments; and
- 3.0 Essays.