SUFFOLK COMMUNITY COLLEGE

Course Title: Microeconomics  
Instructor: Steven T. Kenny
Catalog No: ECO 112  
Department: Economics
Semester: Fall  
Year: 2010
Office Loc: Orient 225  
Phone/email: 548-3503/ kennys@sunysuffolk.edu

Office Hrs:  
Mon. 8:30 AM to 9:30 AM  
10:45 AM to 11:15 AM  
4:30 PM to 5:30 PM ONLINE: (kennys@sunysuffolk.edu)
Tues. 10:45 AM to 11:15 AM
Wed. 8:30 AM to 9:30 AM  
10:45 AM to 11:15 AM
Thurs. 10:45 AM to 11:15 AM

Course Purpose:
Microeconomics is the study of how consumers and producers make economic decisions to maximize satisfaction and profits. The course also describes how markets and governments coordinate these decisions to meet economic, social and political objectives.

General Objectives of the Course:
By the end of the semester, the student will be graded on his/her ability:
1. to work with and apply marginal analysis, the basis of profit maximization and public policy decisions.
2. to predict and explain changes in prices in the market place.
3. to discuss the strengths and weaknesses of the market system.
4. to evaluate the failures of the market system and make recommendations to correct undesirable outcomes.

Specific Student Objectives, Unit I - Fundamental Concepts:
At the completion of this unit of study the student should be able to:
1. list, discuss and give examples of the eight guideposts to economic thinking.
2. distinguish between "positive" and "normative" economics
3. draw and label a production possibility curve and describe points of production combinations within, on and outside this curve.
4. define and illustrate marginal cost, specialization and division of labor.
5. list and apply "curve shifters" to the production possibility curve.
6. define comparative advantage and use a decision matrix to calculate and identify low-opportunity-cost production.
7. list and discuss the three basic questions an economic system must address.
8. identify and define the two basic mechanisms and systems which resolve these questions.

Specific Student Objectives, Unit II - Theory of Production:
At the completion of this unit of study the student should be able to:
1. define sunk costs, short-run, long-run, fixed inputs, and variable inputs.
2. calculate total product, average product and marginal product.
3. draw and properly label the total product, average product and marginal product curves.
4. calculate total costs, average total costs, average variable costs and marginal costs.
5. draw and properly label the total cost, average total cost, average variable cost and marginal cost curves.
6. explain the law of diminishing marginal returns and identify where diminishing returns impact the cost curves.
7. explain how the relationship between marginal revenue and marginal cost determines the output of profit maximization.
8. demonstrate graphically if abnormal, normal or below normal profit exists at a specific level of output.
9. explain the relationship between the marginal cost curves of individual firms and the industry supply function.
10. reposition the firm's cost curves when cost factors dictate a change.
11. identify graphically and explain long-run and short-run "shut-down" points.
13. predict the reaction of firms and the industry to changes in the market price.

Specific Student Objectives, Unit III - Consumers and the Market System:
At the completion of this unit of study the student should be able to:
1. state the Law of Demand and graph and properly label the demand function.
2. list and discuss the three reasons for the law of demand.
3. list and discuss the five factors which influence consumer behavior.
4. list, discuss and apply the six demand "shifters."
5. distinguish between the terms "a change in demand" and "a change in the quantity demanded.
6. define and interpret the concept of elasticity of demand.
7. calculate the elasticity of demand from two coordinates on the demand curve.
8. predict the effect of a price change on the revenue of a firm or an industry when the elasticity is known.
9. derive the market demand curve from the aggregate of individual demand curves.
10. graph and properly label the market demand and supply functions and identify and explain market equilibrium price and quantity.
11. calculate and explain the effect of shortages and surpluses on market activity.
12. explain why the market equilibrium is considered efficient and socially desirable outcome for meeting consumer needs and managing the use of natural and human resources.
13. predict and explain new market equilibrium created by the shifters of supply and demand.
14. show graphically and discuss the effect of government policies to fix prices or set quotas in the market place.
15. derive and discuss short-run and long-run supply functions.
16 using cost and long-run supply functions, explain the concepts of increasing, decreasing and constant cost industries.
17. list and discuss the assumptions of pure competition in a market.
18. explain and discuss the three functions of the market system.


Procedures for Accomplishing the Objectives:
1. Lectures and class discussions
2. Extensive use of graphical aids.
3. Assignments and examinations
Student Requirements for Completion of the Course:
1. Attendance and participation in class.
2. Completion of assigned readings before class lectures.
3. Passing grades on three objectives exams and one in-class essay.

Grading Practices:
1. The highest grade of the first two objective exams, plus the third objective exam, count 1/3 each toward the final grade. An in-class essay is the other 1/3 of the final grade.
2. All exams must be completed. Missed exams are scored as failing and are averaged into final grade. The professor reserves the right to include second test in average for final grade.
3. Student performance is measured relative to other students in the microeconomics by applying the normal curve to test scores.

Rules Concerning Student Absence:
1. Students are expected to attend each class session and are responsible for all material covered. If you must miss a class for some reason, you are responsible completing work due and submitting it at the next class.
2. The college defines permissible absences as the equivalent of one week or 1/15th of the sessions for the semester.
3. Excessive absence results in a withdrawal initiated by the instructor.

Weekly Outline of Topics to be Covered

<table>
<thead>
<tr>
<th>Week of:</th>
<th>Assignment</th>
<th>Topics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aug. 30 &amp; Sept. 7</td>
<td>Chap. 1</td>
<td>The Guideposts to Economic Thinking</td>
</tr>
<tr>
<td>Sept. 13 &amp; 20</td>
<td>Chap. 2</td>
<td>The economic problem and tools of the International Trade</td>
</tr>
<tr>
<td>Sept. 27</td>
<td>None</td>
<td>Objective test on chapters 1 &amp; 2</td>
</tr>
<tr>
<td>Oct. 4 &amp; 11</td>
<td>Chap. 8</td>
<td>The producer problem - analyzing and modeling the production process</td>
</tr>
<tr>
<td>Oct. 18 &amp; 25</td>
<td>Chap. 9</td>
<td>Deciding the best output - the theory of profit maximization</td>
</tr>
<tr>
<td>Nov. 1</td>
<td>None</td>
<td>Objective test on chapters 8 &amp; 9</td>
</tr>
<tr>
<td>Nov. 8 &amp; 15</td>
<td>Chap. 7</td>
<td>Consumer decision making - the Law of Demand</td>
</tr>
<tr>
<td>Nov. 22 &amp; 29</td>
<td>Chap. 3 &amp; 4</td>
<td>The consumer and producer in exchange - the market, perfect competition</td>
</tr>
<tr>
<td>Dec. 6</td>
<td>Chap. 3 &amp; 4</td>
<td>Summarizing the importance of markets in capitalism</td>
</tr>
<tr>
<td>Dec 13 &amp; 20</td>
<td>None</td>
<td>Objective test on chapters 3, 4, 7, &amp; 9</td>
</tr>
<tr>
<td></td>
<td></td>
<td>In-class essay</td>
</tr>
</tbody>
</table>