

Course Title: Introduction to Basic Economic Principles
Course Number: ECON 100
Credit Hours: 5
Meeting times: Monday - Friday; 12:30pm-1:20pm

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Textbook: Essentials of Economics 8th Ed., Schiller
Supplementary material: Practice test package

Course description: Introduces the concepts and tools of economic thinking. Students learn to understand and evaluate the complex economic problems encountered in modern society. Business and Economic majors who plan to transfer to a 4-year institution should generally take ECON 200/201 rather than ECON 100.

Course learning outcomes: By the end of the quarter, students will be able to do the following:

- Interpret and use major economic statistics such as GDP, inflation rate, unemployment rate, growth rates, exchange rates, trade and budget balances, productivity, money supply and interest rates.
- Identify and analyze theories of the causes of business cycles, and of the impact of monetary and fiscal policies upon the economy.
- Define and evaluate the importance of the basic sources of economic growth, and the impact of macroeconomic and microeconomic policies on economic growth.
- Explain why exchange rates fluctuate, why governments choose alternative exchange rate regimes, and what effect exchange rates have on domestic economies.
- Describe the institutions of international trade; analyze the effects of trade / " policies and the interactions of trade with political and social systems.
- Identify the economic problems of scarcity, and identify and analyze the alternative methods available to societies and policy-makers of allocating scarce resources.
- Use the economic models of markets, including the forces of supply and demand, to predict and analyze market outcomes.
- Describe and analyze the strengths and weaknesses of a market system, and evaluate the policies of government in modifying market outcomes.
- Identify and explain the impact of cultural and historical forces on the economic problems and options faced by particular societies.

Course topics to be covered:

<u>Topic</u>	<u>Chapter</u>	<u>Topic</u>	<u>Chapter</u>
Overview	1	Public Sector	
Introduction		Economic Systems	1
Macro vs Micro		Capitalism	
Scarcity & Choice		Socialism	
Opportunity Costs		Reasons for Government	9
Production Possibilities		Public Goods	
Production Constraints		Negative Externalities	
		Positive Externalities	
<u>Markets & Trade</u>		Market Regulation	
Markets	3	Equality	2
Comparative Advantage	p363-364	Economic Stability	9
		Government Size	2
<u>Supply & Demand</u>	3	Government Cash Inflow	
Demand		Federal	
Determinants		State	
Demand Schedule & Curve		Local	
Δ in Demand		<u>National Income Accounting</u>	2
Normal vs Inferior		GDP	
Substitute vs Complement		Components	
Supply		GDP Measurement Problems	
Determinants		GDP & Inflation	
Supply Schedule & Curve		Midterm 3	
Δ in Supply			
Market Equilibrium		<u>Inflation</u>	10
Supply & Demand		Inflation	
Price & Allocation		Measures	
Labor Markets	8	Inflation & Wages	
Price Ceilings		Inflation & Interest	
Price Floors		<u>National Debt</u>	12
Midterm 1		National Debt/Budget Deficit	
		Concerns	
<u>Production Costs</u>	5	BD & Recession	
Production Function		Final (cumulative)	
Marginal Product			
Costs			
Total Cost			
Marginal Cost			
Average Cost			
MC and Average Cost			
<u>Competitive Firms</u>	6		
Competitive Firms			
Revenue			
Profit Maximization			
Shut Down Decision			
<u>Competitive Markets</u>	6		
Characteristics			
Econ. vs Acctg. Profit			
<u>Monopoly</u>	7		
Non-competitive Industries			
Monopoly			
Monopoly vs Competition			
Barriers To Entry			
Price Discrimination			
Midterm 2			

Approximate exam dates:

Midterm 1; Apr. 26

Midterm 2; May 16

Midterm 3; Jun. 5

Final; Jun. 13

Number of exams: 4

Types of exams: Multiple choice

Percentage points for course grade:

Midterm 1; 21%

Midterm 2; 21%

Midterm 3; 21%

Final; 32%

Class participation; 5%

Total percentage points; 100%

Makeup exams: One makeup midterm is allowed by arrangement prior to the missed test, but one point will be deducted from the score. If a midterm is missed without prior arrangement, that test grade will be replaced with a grade 1.0 lower than the lowest grade of the other 3 tests (2 midterms and final). The final must be taken in order to receive credit for the course.

Example calculations of course grade:

This person got a 2.5, 3.2, and 2.7 on the 3 midterms, 3.4 on the final, and a 3.0 for class participation. The course grade is calculated as:

$$\begin{array}{ccc} \text{midterms} & \text{final} & \text{participation} \\ .21 \times (2.5 + 3.2 + 2.7) + .32 \times 3.4 + .05 \times 3.0 = 3.0 \end{array}$$

Decimal-letter grade conversion

3.8 - 4.0	a	1.8 - 2.199	c
3.5 - 3.799	a-	1.5 - 1.799	c-
3.2 - 3.499	b+	1.2 - 1.499	d+
2.8 - 3.199	b	0.8 - 1.199	d
2.5 - 2.799	b-	0.5 - 0.799	d-
2.2 - 2.499	c+		