

Bossier Parish Community College

Syllabus

Course Prefix and Number: BADM 202

Credit Hours: 3

Course Title: Economic Principles II

Course Prerequisites: None

Textbook: Economics: A Contemporary Introduction, by William A. McEachern, 8th edition, Southwestern Publishing Company, 2009.

Course Description: An introduction to microeconomics, the study of individual market interactions. Concentration on role of consumers and producers in markets for particular goods and services. Topics include demand, supply, market equilibrium, international trade, production of goods under pure competition, monopoly, monopolistic competition, and oligopoly.

Learning Outcomes:

At the end of this course, the student will

- A. demonstrate knowledge of key concepts and philosophy of economics, and the market system and how the system affects the decisions of consumers and producers;
- B. demonstrate knowledge of elasticity and utility;
- C. demonstrate knowledge of production costs and the market structure perfect competition;
- D. demonstrate knowledge of market structures monopoly, monopolistic competition and oligopoly; and
- E. demonstrate knowledge of antitrust legislation and regulation, and international trade.

To achieve the learning outcomes, the student will

(The letter designations at the end of each statement refer to the learning outcome(s).)

demonstrate knowledge of the key terms of economics and the market system: (A)

1. define economics, theory and models, marginal, opportunity cost, sunk cost, normative and positive economics,
2. explain how pitfalls to economic analysis are addressed,
3. explain scientific method and how it is to produce better theories of consumer and producer behavior,
4. explain the law of comparative advantage,
5. explain how specialization and division of labor create gain from exchange,
6. use the production possibilities frontier curve to demonstrate efficiency, and growth,

7. explain capitalism, command systems, and mixed systems. and how economics can be utilized in these systems,
8. define and graph the supply curve,
9. define and graph the demand curve,
10. define and locate equilibrium on a graph,
11. define and calculate ceilings,
12. define and calculate floors,
13. define and demonstrate surplus on a graph,
14. define and demonstrate shortage on a graph,
15. learn the five determinants of supply,
16. learn the five determinants of demand,
17. shift the demand curve,
18. shift the supply curve,
19. calculate the new equilibrium,

demonstrate knowledge of how elasticity and utility underlie the creation and positioning of the demand curve: (B)

20. define elasticity,
21. calculate price elasticity,
22. define elastic, inelastic, and unit elastic
23. calculate income elasticity,
24. determine if a good is normal, luxury, necessity, or inferior,
25. calculate cross price elasticity,
26. determine if good is substitute, complement, or unrelated
27. define utility, marginal utility, total utility,
28. calculate consumer equilibrium,
29. calculate new consumer equilibrium and link utility to the demand curve,
30. use individual demand curves to create market demand,

demonstrate knowledge of production costs and their role in the creation of supply curves and how to maximize profit under perfect competition: (C)

31. define explicit cost and implicit cost,
32. define fixed resource, variable resource, short run, and long run,
33. define economic profit, accounting profit, and normal profit,
34. define total product, marginal product and the law of diminishing returns,
35. define total cost, variable cost, marginal cost, average total cost, average variable cost, average fixed cost,
36. learn formulas and calculate marginal cost, average total cost, average variable cost, average fixed cost,
37. identify seven major characteristics of perfect competition,
38. know the demand curve is perfectly horizontal and ($D=AR=MR=P$),
39. calculate the output to produce to maximize profit using the golden rule ($MC=MR$),
40. calculate maximum profit or loss using total revenue and total cost,
41. calculate maximum profit or loss using average revenue and average total cost,

42. identify breakeven point and shut down point,
43. explain why a perfectly competitive firm makes a normal profit in the long run,
44. explain why the marginal cost curve is the supply for the perfectly competitive firm ,
45. create and graph the industry supply curve from firm supply curves,
46. define economies of scale, constant returns, and diseconomies of scale,

demonstrate knowledge of market structures monopoly, monopolistic competition and oligopoly as relates to profit maximization and compare and contrast these to perfect competition; (D)

47. identify seven major characteristics of monopoly,
48. identify the three major barriers to entry,
49. know the demand curve is down sloping ($D=AR=P$) and MR lies below the demand curve,
50. explain why a monopolistically competitive firm makes an economic profit in the long run,
51. identify seven major characteristics of monopolistic competition,
52. identify the four major ways monopolistically competitive firms differentiate their product,
53. calculate profit maximization for a monopolistically competitive firm,
54. explain why a monopolistically competitive firm makes a normal profit in the long run,
55. identify seven major characteristics of oligopoly,
56. identify thee models of oligopoly,
57. define duopoly, collusion, and cartels, and

demonstrate knowledge of antitrust legislation and regulation, and international trade affect business decisions: (E)

58. explain economic regulation and social regulation,
59. trace the increase in regulations since 1976,
60. name the results of deregulation on the airline and trucking industries,
61. give examples of helpful and harmful regulations,
62. trace major antitrust laws from the Sherman Antitrust Act to present,
63. define predatory pricing, tying contract, per se illegality, rule of reason,
64. identify major categories of U.S. exports and imports,
65. explain how comparative advantage forms the key basis of trade,
66. explain how differences in resources form a basis for trade,
67. explain how differences in taste form a basis for trade,
68. explain how economies of scale form a basis for trade,
69. explain the use of tariff and import quotas are used by governments to restrict trade,
70. trace the evolution of trade organizations including GATT, WTO, and NAFTA,
71. identify five major reasons given for trade restrictions,

Course Requirements:

1. Students are expected to attend classes regularly; excessive unexcused absences constitute grounds for suspension.
2. Students are encouraged to use the BPCCLibrary to research business topics which interest them and to be aware of employment opportunities.

Course Grading:

- A. Letter grades will be assigned based on a ten point grading scale (89.50-100 = 'A', 79.50-89.49='B', 69.50-79.49='C', 59.50-69.49='D', 0-59.49='F').
- B. Instructors will give at least four major tests. The last test will be a comprehensive final examination.
- C. Instructors may give unannounced quizzes and/or grade homework assignments.