

# Bemidji State University

## ECON 2000: Markets and Resource Allocation

### A. COURSE DESCRIPTION

Credits: 3

Lecture Hours/Week: \*.\*

Lab Hours/Week: \*.\*

OJT Hours/Week: \*.\*

Prerequisites: None

Corequisites: None

MnTC Goals: Goal 05 - Hist/Soc/Behav Sci, Goal 09 - Ethical/Civic Resp, Goal 05 - Hist/Soc/Behav Sci

Develops microeconomic principles to explain and evaluate markets as mechanisms to signal buyers preferences and induce suppliers' response. Considers the origin and historical development of market economies as well as theory. Liberal Education Goal Areas 5 and 9.

### B. COURSE EFFECTIVE DATES: 08/21/1997 - Present

### C. OUTLINE OF MAJOR CONTENT AREAS

1. Introduction
  - A. Defining Economics
  - B. Scarcity and the Nature of Resources
  - C. Short Run Production Function
2. Interdependence and the Circular Flow
  - A. The Simple Model
  - B. Specialization and Gains from Trade
  - C. Money and the Financial Sector
  - D. Government
3. Competitive Market Model
  - A. Demand
  - B. Supply
  - C. Meaning and Stability of Equilibrium
  - D. Elasticity Concepts
  - E. Supply/ Demand Applications Applications
  - F. Market Failure
4. Economic Welfare
  - A. Pareto Efficiency as a Benchmark
  - B. Producer/Consumer Surplus as Welfare Measures
  - C. Application: International Trade
5. Resource Markets
  - A. Factor Markets and Productivity
  - B. Income Distribution
6. The Behavior of Firms
  - A. The Nature of Costs Read: Chapter 13
  - B. Market Structures
    1. Perfect Competition
    2. Pure Monopoly
    3. Oligopoly

#### **D. LEARNING OUTCOMES (General)**

1. be able to explain the process by which competitive markets coordinate the behavior of buyers and sellers.
2. be able to present the general argument in favor of the efficiency of competitive equilibrium
3. be able to understand how various types of market failure can undermine market efficiency and the potential for government intervention to improve performance.
4. be able to explain the relationship between factor productivity and factor prices.
5. be able to discuss the factor which influence the distribution of income and present standards for judging the equity of alternative distributions.
6. be able to define alternative market structures and discuss their implications for economic welfare.
7. be able to appreciate the distinguishing methodological features of economics as a discipline and understand how these derive from the basic purpose of economic inquiry.

#### **E. Minnesota Transfer Curriculum Goal Area(s) and Competencies**

Goal 05 - Hist/Soc/Behav Sci

1. Use and critique alternative explanatory systems or theories.
2. Develop and communicate alternative explanations or solutions for contemporary social issues.

Goal 09 - Ethical/Civic Resp

1. Examine, articulate, and apply their own ethical views.
2. Analyze and reflect on the ethical dimensions of legal, social, and scientific issues.
3. Identify ways to exercise the rights and responsibilities of citizenship.

Goal 05 - Hist/Soc/Behav Sci

1. Employ the methods and data that historians and social and behavioral scientists use to investigate the human condition.

#### **F. LEARNER OUTCOMES ASSESSMENT**

As noted on course syllabus

#### **G. SPECIAL INFORMATION**

None noted