ECON 2001: PRINCIPLES OF MICROECONOMICS

Citrus College Course Outline of Record

Heading	Value
Effective Term:	Fall 2026
Credits:	3
Total Contact Hours:	54
Lecture Hours :	54
Lab Hours:	0
Hours Arranged:	0
Outside of Class Hours:	108
Total Student Learning Hours:	162
Prerequisite:	Placement as determined by the college's multiple measures assessment process or completion of a course taught at or above the level of elementary algebra.
Strongly Recommended:	ENGL C1000 and ECON C2002.
District General Education:	D1. Social Science
Transferable to CSU:	Yes
Transferable to UC:	Yes - Approved
Grading Method:	Standard Letter, Pass/No Pass

Catalog Course Description

Common Course Description: An introductory course using microeconomic models to understand individual decisions by consumers and firms, market outcomes including market failure, elasticity, market structures, labor markets, inequality, and the impact of government policies. Citrus College Details: Formerly ECON 102. 54 lecture hours.

Course Objectives

- Citrus College Details: Identify, interpret and analyze microeconomic graphs and data.
- Citrus College Details: Utilize the concept of scarcity to explain economic trade-offs, opportunity costs, and rational behavior.
- Citrus College Details: Calculate and interpret measures of elasticity.
- Citrus College Details: Demonstrate how markets function and what happens in the presence of market failures.
- Citrus College Details: Analyze production and costs of the firm.
- Citrus College Details: Demonstrate how firms attempt to optimize their objectives in response to price signals under a variety of market structures in the short and long-run.
- Common Course Numbering Language: Perform and interpret microeconomic calculations
- Common Course Numbering Language: Apply microeconomic models to analyze market outcomes, including market failures and\ \ngovernment policies.
- Common Course Numbering Language: Model how consumers and firms make decisions under a variety of market structures

Major Course Content

Common Course Language:

1. **Fundamentals of economic thinking**
   a. Scarcity / opportunity costs
   b. Factors of production / production possibilities
   c. Specialization and gains from trade
   d. Marginal analysis
   e. Rational behavior
   f. Economic models and research methodology
2. **How markets operate**
   a. Definition of a market
   b. Supply and demand model
   c. Producer / consumer surplus and efficiency
   d. Government intervention
3. **Elasticity**
4. **Consumer theory / demand**
5. **Producer theory**
   a. Production and costs
   b. Accounting / economic profit
   c. Short- and long-run production decisions
   d. Industry structure
6. **Market structures**
   a. Perfect competition
   b. Monopoly
   c. Monopolistic competition
   d. Oligopoly and game theory
7. **Labor markets**
8. **Market failure and public policy**
   a. Externalities
   b. Public goods
   c. Imperfect competition
   d. Efficiency vs. equity

Citrus College Details:

1. Fundamentals of Economic Thinking
   a. Scarcity
   b. Factors of Production
   c. Opportunity Costs
   d. Marginal Analysis
   e. Positive vs. Normative Analysis
   f. Rational Choices
2. Consumer Behavior & Derivation of Demand Curve
   a. Demand and Supply
   b. Price Theory
   c. Consumer & Producer Surplus
   d. Deadweight Loss
   e. Market Efficiency and Government Price Controls
3. Elasticity
   a. Price Elasticity of Demand
   b. Income Elasticity of Demand
   c. Cross-Price Elasticity of Demand
   d. Total Revenue Test
   e. Price Elasticity of Supply
4. Consumer Choice and Utility Maximization
   a. Total and Marginal Utility
   b. Law of Diminishing Marginal Utility

   c. Budget Constraint
   d. Utility Maximizing Rule
   e. Income and Substitution Effect
5. Costs of Production
   a. Explicit and Implicit Costs
   b. Economic and Accounting Profits
   c. Short Run and Long Run Production Costs
   d. Marginal and Average Product
   e. Diminishing Marginal Returns
   f. Average, Marginal and Total Costs in Short Run
   g. Long Run Average Cost Curve
   h. Economies and Diseconomies of Scale, Constant Returns to Scale
   i. Minimum Efficient Scale
   j. Production Function
6. Market Structures
   a. Perfect Competition
      i. Perfectly Elastic Demand
      ii. Profit Maximizing in Short Run
      iii. Short Run Production Decision
      iv. Break-Even Price
      v. Firm's Shut-down Decision
      vi. Short Run and Long Run Supply
      vii. Efficiency of Perfect Competition
   b. Monopoly
      i. Barriers to Entry
      ii. Natural Monopolies
      iii. Monopoly Demand Curve
      iv. Efficiency of Monopolies and Regulation
      v. Price Discrimination
   c. Monopolistic Competition
      i. Product Differentiation and Advertising
      ii. Demand Curve
      iii. Efficiency of Monopolistic Competition
   d. Oligopolies
      i. Mutual Interdependence and Strategic Behavior
      ii. Market Concentration
      iii. Oligopolies Pricing Models
      iv. Efficiency of Oligopolies
7. Market Failure
   a. Market Power: Regulation & Anti-Trust Laws
   b. Public Goods
   c. Positive & Negative Externalities
   d. Asymmetric Information
8. Resource Markets
   a. Marginal Productivity Theory of Resource Demand
   b. Determinants of Resource Demand
   c. Labor Market
   d. Rent, Interest and Profit

Suggested Reading Other Than Required Textbook

Wall Street Journal, Financial Times, The Economist, Business Week, Forbes, New York Times Business Section, LA Times Business Section or any other business periodical.

Examples of Required Writing Assignments

Select an industry. Find information that will indicate to you the type of market structure it has: monopoly, oligopoly, monopolistic competition, or perfect competition. What information did you use to assess the structure? Examples: distribution of sales and profits, concentration ratios, uniqueness of product, ownership of patents, cost of research and development, cost of advertising, cost of capital, ease of entry and exit, price vs. non-price competition, collusion, interdependence…. Support your answer with facts.

Examples of Outside Assignments

Interview a small business owner. Make a list of his/ her costs of doing business. Find out the 5 biggest items. Ask them how they manage to keep their costs as low as possible. Find out what are 2 challenges they face in their efforts to manage costs. Share in class.

Instruction Type(s)

Lecture, Online Education Lecture

IGETC Area 4: Social and Behavioral Sciences

4B. Economics