

## ECON 103 Educational Goals

For 100 level courses, all skills below are to be *introduced*.

### 1 Analyze and Interpret economic models

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#### 1A Solve and interpret standard models of consumer behavior

- Explain the role of preferences in consumer choices
- Identify factors that affect consumer demand and the elasticity of demand
- State and explain the Law of Demand
- Define, calculate and interpret elasticities
- Explain the demand curve of an individual consumer
- Explain the role of constraints and opportunity cost in consumer choices

#### 1B Solve and interpret standard models of producer behavior

- Compute and/or graph the cost function of a firm
- Distinguish between decreasing marginal product and returns to scale
- Explain the role of constraints and opportunity cost in firm choices
- Identify factors that affect firm supply and the elasticity of supply
- Link diminishing marginal product to the Law of Supply
- State and explain the Law of Supply
- Explain and interpret the supply curve of a competitive firm
- Identify sunk costs, and explain why sunk costs are not included in opportunity cost

#### 1C Solve and interpret standard models of market interaction

- Explain the role of prices in the economy
- Compute and interpret consumer surplus
- Define oligopoly
- Aggregate firm supply to market supply, in the short run and the long run
- Aggregate individual demands to market demand
- Explain the role of price taking behavior in competitive equilibrium
- Graph and compute the equilibrium of a perfectly competitive market
- Calculate and interpret the effect of a price floor or ceiling in a competitive market
- Calculate and interpret the effect of an excise tax in a competitive market
- Calculate and interpret the incidence of a tax
- Calculate opportunity cost from a production possibilities frontier
- Define monopoly and state the different sources of monopoly.
- Explain the gains from trade in a simple model
- Use opportunity cost to determine comparative advantage

#### 1D Identify and analyze market failures, externalities and public goods

- Identify consumption and production externalities
- State the properties of public and private goods

### **3 Critically assess economic arguments, assumptions, and evidence**

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3A Discuss the role of theory, evidence, and measurement in economic analysis

- Describe the scientific method and its role in economics

3B Critically evaluate assumptions in economic/econometric models

- State the essential features of a perfectly competitive market
- Explain the role of assumptions in economic models
- Understand limited role of GDP as a measure of production (versus wealth, versus welfare)

3C Compare and critically evaluate economic arguments

- Classify statements about the economy as normative or positive
- Define the "natural rate of employment" and assess its relevance to the macroeconomy
- Distinguish between different explanations for unemployment
- Identify the key assumptions and empirical claims in an economic argument

### **4 Use oral, written, and graphical methods to communicate economic insights**

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4A Formulate written economic arguments evaluating or supporting a position

- Write a brief paragraph (e.g., on an exam) that explains or applies economic concepts

4B Present economic arguments by means of graphs, charts and tables

- Graph and explain the effect of changes to market conditions on equilibrium price and quantity
- Graph and interpret a production possibilities frontier

### **5 Use economic concepts to understand real-world human activity and public policy**

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5A Apply economics to everyday situations

- Interpret a real-world situation using the concepts of scarcity, substitution, opportunity cost, and equilibrium
- Describe the incentives facing participants in a real-world situation
- Interpret simple real-world events using the supply and demand model
- Predict the economy's response to changes in market conditions

5C Evaluate current events using tools of economics

- Evaluate current events as they relate to the general course content