

**Course Level Assessment**

**Principles of Microeconomics (ECN 202)**

**Spring 2007 Assessment**

**8/29/2007**

**Submitted by Seyed Mirkhani**

**Approved by LOT Fall 2007**

The purpose of this report is to present the methodology and findings for the course level assessment of Principles of Microeconomics (ECN 202). Principles of Microeconomics serves as a required core course in the Business Management program. This course presents and analyzes microeconomic principles as to their applicability to problems of public Policy. Microeconomics is the study of the economic activities of individual consumers and produces or groups of consumers and producers known as markets. To assure that Principles of Microeconomics is meeting its intended purpose in the curriculum and that students are in fact achieving the defined course learning outcomes identified on the Master Course Record Form (See Attachment A), this course was selected for a course level assessment project to discern attainment of specified learning outcomes across multiple class sections. This course also serves as a social science course for non-business majors.

## **Methodology**

Principles of Microeconomics course outcomes will be assessed on a cyclical basis over three years beginning with the spring 2007 semester. Each year, a minimum of four course learning outcomes will be selected for evaluation. Dependent upon assessment findings, some outcomes will be assessed over multiple years to validate effectiveness of changes in curriculum or course materials. Exam questions addressing the target learning outcomes serve as indicators of student attainment of course learning outcomes. These exam questions are incorporated across all sections of ECN 202 during the assessment cycle. The minimum performance standard is set at 80%. At least 80% of the students completing the common indicators administered via the course examination

will select the correct response. In the event that the minimum performance standard is not met, the unmet learning outcome will be targeted for further monitoring. The results may also trigger an evaluation of course materials supporting the learning outcome, revision of course materials or further curriculum revision.

In the spring 2007 semester, four course learning outcomes were selected for assessment in all sections of Principles of Microeconomics. The target learning outcomes include:

<b>Outcome 1:</b> Describe law of demand
<b>Outcome 2:</b> Construct production possibilities curve
<b>Outcome 3:</b> Explain monopolistic competition
<b>Outcome 4:</b> Explain industry (de)regulation

To assess these learning outcomes standard questions were administered. All students enrolled in this section completed the standard questions. Thirty-one students were included in this sample including seventeen online and fourteen face-to-face students. The outcomes and corresponding indicators are listed in Figure 1. Results were compiled for each indicator denoting the percent of students selecting the correct response for each indicator. Findings from the data for each outcome are presented in the results section of this report.

Learning Outcome	Indicator
<p><b>Outcome 1:</b> Describe law of demand</p>	<p><b>Question One: A consumer's demand curve for a product is downsloping because:</b></p> <ol style="list-style-type: none"> <li>1. total utility falls below marginal utility as more of a product is consumed.</li> <li><b>2. marginal utility diminishes as more of a product is consumed.</b></li> <li>3. time becomes less valuable as more of a product is consumed.</li> <li>4. the income and substitution effects precisely offset each other.</li> </ol> <p>Answer: 2</p>
<p><b>Outcome 2:</b> Construct production possibilities curve</p>	<p><b>Question Two: The production possibilities curve illustrates the basic principles that</b></p> <ol style="list-style-type: none"> <li>1. the production of more of any one good will in time require smaller and smaller sacrifice of other goods</li> <li>2. an economy will automatically obtain full employment of its resources</li> <li><b>3. if all the resources of an economy are in use, more of one good can be produced only if less of another good is produced</b></li> <li>4. an economy's capacity to produce increases in proportion to its population size</li> </ol> <p>Answer: 3</p>
<p><b>Outcome 3:</b> Explain monopolistic competition</p>	<p><b>Question Three: In the short run a monopolistically competitive firm's economic profit:</b></p> <ol style="list-style-type: none"> <li>1. will be maximized where price equals average total cost</li> <li><b>2. may be positive, zero, or negative</b></li> <li>3. are always positive</li> <li>4. will always be zero</li> </ol> <p>Answer: 2</p>

<p><b>Outcome 4:</b> Explain industry (de)regulation</p>	<p><b>The Clayton Act of 1914:</b>  <b>1. Outlawed price discrimination, tying contracts, interoperate stockholding, and interlocking directorates that lessen competition.</b>  2. prohibited unfair or deceptive acts or practices in commerce that tend to reduce competition.  3. outlawed vertical and conglomerate mergers.  4. prohibited one firm from acquiring the assets of another when the effect was to limit competition.</p> <p>Answer: 1</p>
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Figure 1: Assessed Outcomes and Indicators

## Results

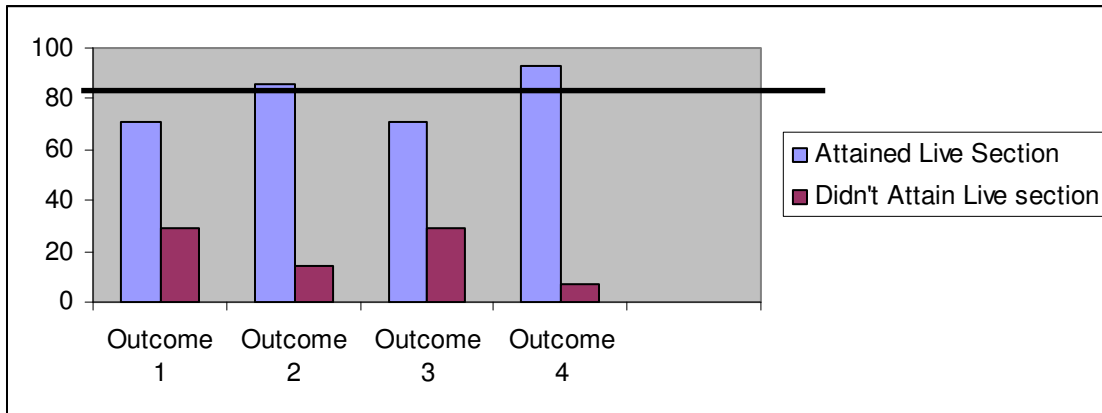
Based on the existing data, two of the four learning outcomes were met at the minimum performance standard (See Table 1). More than eighty percent of the students successfully completed the identified indicator for Learning Outcomes two and four, sixty-eight percent of the students completed the identified indicator for Learning Outcome one and forty-eight percent of the students completed identified indicator for outcome four. Only thirty percent of online students were able to answer question three compared to seventy one percent in face-to-face section.

Table 1: Distribution of Performance Standards for Outcomes 1 Through 4

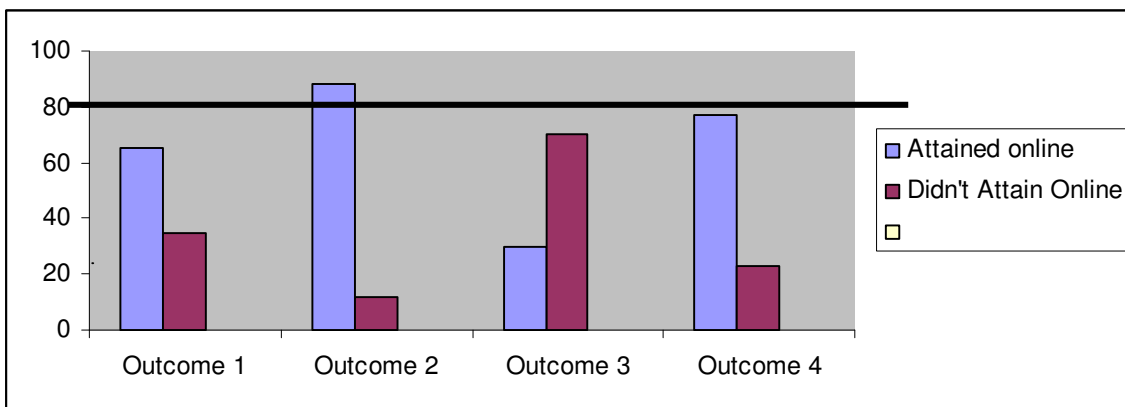
### (Principles of Microeconomics) ECN 202

	Question 1	Question II	Question III	Question IV
<b>Online Section</b> <b>% of students</b> <b>who answered</b> <b>correctly</b> <b>N = 17</b>	11/17 = 65%	15/17 = 88%	5/17 = 30%	13/17 = 77%
<b>Live Section</b> <b>N = 14</b>	10/14 = 71%	12/14 = 86%	10/14 = 71%	13/14 = 93%
<b>Combined</b> <b>N = 31</b>	21/31 = 68%	27/31 = 87%	15/31 = 48%	26/31 = 84%

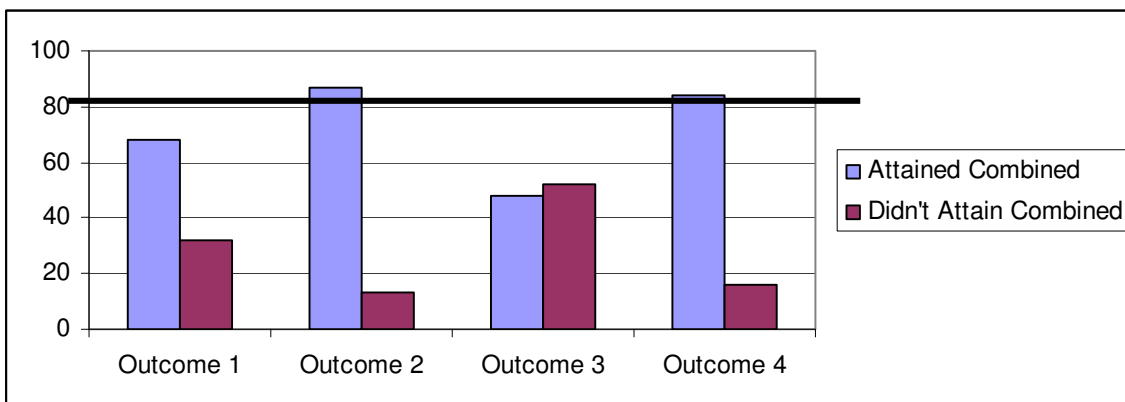
### Live Section



### Online Section



### Combined



Outcomes two and four are regularly discussed and analyzed in microeconomics. Significant emphasis on these two outcomes has contributed to meeting the minimum performance standard.

## **Conclusion and Action Plan**

Overall, students satisfactorily met the minimum performance standard established for two of the four target learning outcomes. However, it is important to note that as a pilot project, this does not establish a trend of success or failure for student achievement.

Additionally, the small sample size may be a factor in attainment. Course data will be collected and assessed on a continuous basis for the three year cycle to allow for assessment of more course outcomes incorporating a larger sample. More specific questions will be included in the assessment activities to measure student learning outcomes. At least eight questions focusing on eight outcomes will be used to establish patterns and obtain a broader result and more emphasis will be placed on unmet outcomes.

These results will be discussed with the instructors who taught this course. These results will also be presented to the instructor(s) who will teach this course in the future. These and future assessment results will serve as the basis for determining need for course and course material revisions. Outcomes one and three will be targeted for future monitoring while more emphasis will be placed on online section.

Attachment A: Master Course Record Form Principles of Macroeconomics ECN 201

**Eastern WV Community & Technical College**  
**Master Course Record**

<b>Course Prefix and Number:</b> ECN 202
<b>Course Title:</b> Principles of Microeconomics
<b>Recommended Transcript Title</b> Principles of Microeconomics
<b>Date Approved/Revised</b>
<b>Credit Hours: 3</b> <b>Contact hours per week (Based on 15 week term):</b> <b>Lecture:</b> <b>Lab:</b>
<b>Prerequisite:</b> <b>Corequisite:</b> <b>Pre/Corequisite:</b>
<b>Grading Mode: Letter</b>
<b>Catalog Description:</b> This course presents and analyzes microeconomic principles as to their applicability to problems of public policy. Microeconomics is the study of the economic activities of individual consumers and producers or groups of consumers and producers known as markets, and emphasis shall be placed on the roles played by consumers and producers in the economic society. This course can stand alone as an introduction to economics or may be taken in conjunction with Principles of Economics I, Microeconomics.
<b>Course Outcomes:</b> <ol style="list-style-type: none"><li>1. construct circular flow model</li><li>2. describe price control effects</li><li>3. analyze economic model construction</li><li>4. describe law of supply</li><li>5. describe law of demand</li><li>6. describe excise tax effects</li><li>7. identify union goals</li><li>8. construct production possibilities curve</li><li>9. explain economic costs</li><li>10. compare basic economic systems</li><li>11. analyze scarcity</li><li>12. analyze rent</li></ol>



13. analyze profit
14. analyze production function
15. analyze market concentration
16. analyze interest
17. analyze income redistribution
18. define economics
19. explain oligopoly
20. identify firms
21. explain utility theory
22. explain time value of money
23. explain supply/demand changes
24. explain profits
25. describe poverty
26. explain opportunity costs
27. explain economic inequality
28. explain monopoly
29. explain monopolistic competition
30. explain marginal productivity theory
31. explain labor theory
32. explain industry (de)regulation
33. explain equilibrium
34. explain elasticity usage
35. explain economic resources
36. explain perfect competition

**Implementation Cycle:** Spring and Fall

**Role in College Curriculum:**

- **General Education Core (Social Science)**
- **Technical Core (Business Management)**
- **Restricted Elective**
- **General Elective**

**Course Fee:** None

**Instructor's Qualifications:** Master's degree with 18 graduate level business credits

**Expanded Course Description:** Topics include elasticizes, marginal costs and benefits, price determinations, competitive behavior of firms and efficiency in production.

Prepared by: Seyed Mirkhani, Academic Program Director for Business Technologies

October 29, 2006

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Signature, Title

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Date

Approved by:

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Dean, Academic Services

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Date

**Appendix B:  
Summary of Outcomes, Indicators, Performance Standards and Results**

Course Level Assessment Pilot Spring 2007 ECN 202 Principles of Microeconomics				
Learning Outcome	Indicator (Questions from final exam Spring 2007)	Percent of Correct Responses	Percent of Incorrect Responses	Performance Standard Met (80%)
Outcome I:  Describe law of demand	<b>Question One: A consumer's demand curve for a product is downsloping because:</b> 1. total utility falls below marginal utility as more of a product is consumed. 2. marginal utility diminishes as more of a product is consumed. 3. time becomes less valuable as more of a product is consumed. 4. the income and substitution effects precisely offset each other. Answer: 2	Online 65% (11)  Live 71% (10)  Combined 68% (21)	35% (6)  29% (4)  32% (10)	No  No  No
Outcome II:  Construct production possibilities curve	<b>Question Two: The production possibilities curve illustrates the basic principles that</b> 1. the production of more of any one good will in time	Online 88% (15)  Live 86% (12)	18% (2)  14% (2)	Yes  Yes

	<p>require smaller and smaller sacrifice of other goods</p> <p>2. an economy will automatically obtain full employment of its resources</p> <p>3. if all the resources of an economy are in use, more of one good can be produced only if less of another good is produced</p> <p>4. an economy's capacity to produce increases in proportion to its population size</p> <p>Answer: 3</p>	<p>Combined 87% (27)</p>	<p>13% (4)</p>	<p>Yes</p>
<p>Outcome III: Explain monopolistic competition</p>	<p><b>Question Three: In the short run a monopolistically competitive firm's economic profit:</b></p> <p>1. will be maximized where price equals average total cost</p> <p>2. may be positive, zero, or negative</p> <p>3. are always positive</p> <p>4. will always be zero</p> <p>Answer: 2</p>	<p>Online 30% (5)</p> <p>Live 71% (10)</p> <p>Combined 48% (15)</p>	<p>70% (12)</p> <p>29% (4)</p> <p>52% (16)</p>	<p>No</p> <p>No</p> <p>No</p>
<p>Outcome IV:</p>	<p><b>The Clayton Act of 1914:</b></p>	<p>Online 77%</p>	<p>23%</p>	<p>No</p>

Explain industry (de)regulation	1. Outlawed price discrimination, tying contracts, interoperate stockholding, and interlocking directorates that lessen competition.	(13)	(4)	
		Live 93% (13)	7% (1)	Yes
	2. prohibited unfair or deceptive acts or practices in commerce that tend to reduce competition.			
		Combined 84% (26)	16% (5)	Yes
	3. outlawed vertical and conglomerate mergers.			
	4. prohibited one firm from acquiring the assets of another when the effect was to limit competition.			
	Answer: 1			