This course supports the assessment for FPC1. The course covers 15 competencies and represents 3 competency units.

**Introduction**

**Overview**
The purpose of this course is for you to develop a logical, conceptual, and analytical understanding of microeconomic principles. This course introduces foundational economic principles, such as opportunity costs, supply, and demand. It primarily focuses on microeconomic principles, including

- efficiency and fairness in markets,
- government actions and their impacts,
- the decisions made by consumers and producers,
- different market structures (e.g., perfect competition and monopoly),
- factor markets, and
- income distribution.

Watch the following video for an introduction to the course:

*Note: To download this video, right-click the following link and choose "Save as...": [download video]*

**Competencies**
This course provides guidance to help you demonstrate the following 15 competencies:

- **Competency 3002.1.1: The Economic Way of Thinking**
  The graduate analyzes the economic way of thinking.
- **Competency 3002.1.2: Supply and Demand**
  The graduate explains how free and competitive markets allocate resources efficiently through the interaction of supply and demand.
- **Competency 3002.1.3: Changes in Supply and Demand**
  The graduate evaluates the different effects caused by changes in supply and demand conditions.
- **Competency 3002.1.4: The Economic Problem**
  The graduate understands the models used by economists and identifies how efficient production decisions are made in an environment of scarcity.
- **Competency 3002.1.5: Effects of Government Actions**
  The graduate evaluates the impact of government actions in markets on efficiency and fairness.
- **Competency 3002.1.6: Tax Impact**
  The graduate analyzes the impacts of taxes on consumers, producers, employers, and workers.
- **Competency 3002.1.7: International Trade and Trade Restrictions**
The graduate evaluates the benefits and costs of international trade.

- Competency 3002.1.8: Examining Public Goods
  The graduate assesses the provision and importance of public goods.

- Competency 3002.1.9: Examining Externalities
  The graduate evaluates methods of efficiently dealing with negative externalities.

- Competency 3002.1.10: Consumer Choice
  The graduate determines how rational consumers make choices to maximize their satisfaction.

- Competency 3002.1.11: Short-Run and Long-Run Costs
  The graduate analyzes a firm’s short-run and long-run costs.

- Competency 3002.1.12: Looking at Perfect Competition
  The graduate analyzes decisions made by a firm operating in perfectly competitive markets.

- Competency 3002.1.13: Understanding Monopoly Markets
  The graduate analyzes the behavior of a monopoly.

- Competency 3002.1.14: Monopolistic Competition and Oligopoly
  The graduate evaluates how firms in monopolistic competition and oligopoly determine their profit-maximizing strategies.

- Competency 3002.1.15: Distribution of Income
  The graduate evaluates the way factor markets determine a society’s distribution of income.

**Course Instructor Assistance**

As you prepare to successfully demonstrate competency in this subject, remember that course instructors stand ready to help you reach your educational goals. As subject matter experts, mentors enjoy and take pride in helping students become reflective learners, problem solvers, and critical thinkers. Course instructors are excited to hear from you and eager to work with you. Successful students report that working with a course instructor is the key to their success. Course instructors are able to share tips on approaches, tools, and skills that can help you apply the content you’re studying. They also provide guidance in assessment preparation strategies and troubleshoot areas of deficiency. Even if things don’t work out on your first try, course instructors act as a support system to guide you through the revision process. You should expect to work with course instructors for the duration of your coursework, and you are encouraged to contact them as soon as you begin. Course instructors are fully committed to your success!

**Preparing for Success**

The information in this section is provided to detail the resources available for you to use as you complete this course.

**Learning Resources**

The learning resources listed in this section are required to complete the activities in this course. For many resources, WGU has provided automatic access through the course. However, you may need to manually enroll in or independently acquire other resources. Read the full instructions provided to ensure that you have access to all of your resources in a timely manner.
Automatically Enrolled Resources

You will be automatically enrolled at the activity level for the following learning resources. Simply click on the links provided in the activities to access the learning materials.

VitalSource E-Text
The following textbook is available to you as an e-text within this course of study. This e-text will act as your main resource for learning. The other learning resources provided in this course are supplemental to this e-text. You will be directly linked to the specific readings required within the activities that follow.


*Note: This e-text is available to you as part of your program tuition and fees, but you may purchase hard copies at your own expense through a retailer of your choice. If you choose to do so, please use the ISBN listed to ensure that you receive the correct edition.*

Pearson CourseConnect
To supplement your learning, you may want to engage with Pearson CourseConnect. This additional learning resource includes interactive presentation material, self-checks, and analysis that supports the content in this Foundations of Microeconomics course.

Complete the CourseConnect activities as necessary to increase your understanding of concepts presented in the e-text.

*Note: Open Pearson CourseConnect in a browser other than Internet Explorer to fully access all resources.*

Pearson MyEconLab
MyEconLab from Pearson is another supplemental resource available to you. MyEconLab contains homework sets and study plans associated with the e-text for this course.

Complete the MyEconLab activities if you desire additional support to your learning after completing the reading and associated CourseConnect lessons in each topic. You can use the MyEconLab Results page to track your progress.

MyEconLab engagement will be required if you fail your first assessment attempt.

Pacing Guide
The pacing guide suggests a weekly structure to pace your completion of learning activities. It is provided as a suggestion and does not represent a mandatory schedule. Follow the pacing guide carefully to complete the course in the suggested timeframe.

- Pacing Guide: Microeconomics
Note: This pacing guide does not replace the course. Please continue to refer to the course for a comprehensive list of the resources and activities.

### The Economic Way of Thinking

Economics is the social science concerned with the choices that individuals, businesses, governments, and entire societies make when they cope with scarcity. The study of economics encompasses the incentives that influence people’s choices and the arrangements that coordinate them.

#### The Economic Way of Thinking

Economists study the quantities of goods and services people want or need (supply) and the relationship of supply to how much people need or want (demand).

This topic addresses the following competency:

- **Competency 3003.1.1: The Economic Way of Thinking**
  The graduate analyzes the economic way of thinking.

The topic addresses the following objectives:

- Label examples of basic economic questions that any society must answer.
- Define the core ideas that combine to make up the economic way of thinking.
- Analyze examples of production for efficiency, inefficiency, and tradeoffs.
- Analyze examples of production for specialization and trade.

**Read: Chapters 1 through 3**

Read the following chapters in *Foundations of Microeconomics*:

- [chapter 1 (“Getting Started”)](#)
- [chapter 2 (“The U.S. and Global Economies”)](#)
- [chapter 3 (“The Economic Problem”)](#)

**CourseConnect: The Economic Way of Thinking**

To supplement your learning as needed, engage with the following lesson in Principles of Microeconomics from Pearson CourseConnect:

- [The Economic Way of Thinking](#)

**Note:** Open CourseConnect in a browser other than Internet Explorer to fully access all resources.

**MyEconLab Homework and Study Plan: Chapters 1 through 3**

To further supplement your learning as needed, engage with MyEconLab after completing the e-text reading and CourseConnect lesson.

Complete the homework found in [MyEconLab](#) for the following chapters:
• chapter 1
• chapter 2
• chapter 3

Then, complete the practice problems in the Study Plan for the chapters to check your understanding of key concepts.

Supply and Demand

Competitive markets are influenced by supply and demand. Supply is the relationship between the price of a good and how much of that good is produced or available. Demand is the relationship between the price of a good and how much of that good consumers want to purchase.

Supply and Demand
The price of goods or services affects quantities that firms plan to sell (supply). Prices also affect quantities that consumers plan to buy (demand). Therefore, resource allocation is influenced by both supply and demand.

This topic addresses the following competency:

• Competency 3002.1.2: Supply and Demand
  The graduate explains how free and competitive markets allocate resources efficiently through the interaction of supply and demand.

This topic addresses the following objectives:

• Identify causes of changes in demand and changes in quantities demanded.
• Identify effects of changes in demand and changes in quantities demanded.
• Identify causes of changes in supply and quantities supplied.
• Identify effects of changes in supply and quantities supplied.
• Identify the effects of changes in demand and supply on market equilibrium when given scenarios.

Read: Chapter 4

Read the following chapter in Foundations of Microeconomics:

• chapter 4 (“Demand and Supply”)

CourseConnect: Supply and Demand

To supplement your learning as needed, engage with the following lesson in Principles of Microeconomics from Pearson CourseConnect:

• Supply and Demand

Note: Open CourseConnect in a browser other than Internet Explorer to fully access all resources.
MyEconLab Homework and Study Plan: Chapter 4

To further supplement your learning as needed, engage with MyEconLab after completing the e-text reading and CourseConnect lesson.

Complete the homework found in MyEconLab for the following chapter:

- chapter 4

Then, complete the practice problems in the Study Plan for the chapter to check your understanding of key concepts.

**Changes in Supply and Demand**

Changes in supply and demand are ongoing and can have significant economic impact. Price elasticity is used as a measurement of how quantities and price changes relate to each other.

**Changes in Supply and Demand**

Price elasticity of demand measures how responsive the quantity demanded of a good or service is to a change in price. Price elasticity of supply measures price fluctuations in relation to a change in quantity supplied.

This topic addresses the following competency:

- Competency 3002.1.3: Changes in Supply and Demand
  The graduate evaluates the different effects caused by changes in supply and demand conditions.

This topic addresses the following objectives:

- Calculate the price elasticity of supply and demand when given price and demand/supply tables.
- Calculate the changes in consumer and producer surplus for products priced at different points when given scenarios.
- Identify conditions that affect the efficient allocation of scarce resources.

**Read: Chapters 5 and 6**

Read the following chapters in Foundations of Microeconomics:

- chapter 5 (“Elasticities of Demand and Supply”)
- chapter 6 (“Efficiency and Fairness Markets”)

**CourseConnect: Changes in Supply and Demand**

To supplement your learning as needed, engage with the following lesson in Principles of Microeconomics from Pearson CourseConnect:

- Changes in Supply and Demand
Note: Open CourseConnect in a browser other than Internet Explorer to fully access all resources.

MyEconLab Homework and Study Plan: Chapter 5 and Chapter 6

To further supplement your learning as needed, engage with MyEconLab after completing the e-text reading and CourseConnect lesson.

Complete the homework found in MyEconLab for the following chapters:

- chapter 5
- chapter 6

Then, complete the practice problems in the Study Plan for the chapters to check your understanding of key concepts.

The Economic Problem

When a good is produced, the cost is not just a valuation of the resources used for that good. It is also the cost of not using available resources to produce something else. This is referred to as the opportunity cost. How high opportunity costs are depends on whether the good being produced is more or less valuable than the good not being produced.

The Economic Problem

For every good that is produced, some other good cannot be produced with the same resources. Deciding what to produce is not simply a matter of meeting supply and demand; it is also a matter of determining whether the good in question is more necessary and valuable than the good that is not being produced.

This topic addresses the following competency:

- Competency 3002.1.4: The Economic Problem
  The graduate understands the models used by economists and identifies how efficient production decisions are made in an environment of scarcity.

This topic addresses the following objectives:

- Identify the opportunity cost of the situations when given scenarios.
- Define production possibilities frontier.
- Identify the components of an efficient allocation production efficiency.
- Identify instances of inefficient production.

Review: Chapter 3

Review the following chapter in Foundations of Microeconomics:

- chapter 3 ("The Economic Problem")

CourseConnect: The Economic Problem
To supplement your learning as needed, engage with the following lesson in Principles of Microeconomics from Pearson CourseConnect:

- The Economic Problem

*Note: Open CourseConnect in a browser **other than** Internet Explorer to fully access all resources.*

**MyEconLab Homework and Study Plan: Chapter 3**

To further supplement your learning as needed, engage with MyEconLab after completing the e-text reading and CourseConnect lesson.

Complete the homework found in MyEconLab for the following chapter:

- chapter 3

Then, complete the practice problems in the Study Plan for the chapter to check your understanding of key concepts.

**Effects of Government Actions**

Governments can affect supply and demand when they impose price controls (e.g., price ceilings and price floors) or make payments and provide subsidies to producers to lower production costs.

**Effects of Government Actions**

Government price controls and subsidies affect the economy in different ways. Price ceilings and price floors are artificial controls that can result in shortages or reduced demand. Government subsidies can limit competition and contribute to overproduction and surplus goods.

This topic addresses the following competency:

- Competency 3002.1.5: Effects of Government Actions
  The graduate evaluates the impact of government actions in markets on efficiency and fairness.

This topic addresses the following objectives:

- Identify the impact of price ceilings on efficiency and fairness.
- Identify the effects of price floors on efficiency and fairness.
- Identify the effects of subsidies on efficiency and fairness.

**Read: Chapter 7**

Read the following chapter in Foundations of Microeconomics:

- chapter 7 ("Government Actions in Markets")
CourseConnect: Effects of Government Actions

To supplement your learning as needed, engage with the following lesson in Principles of Microeconomics from Pearson CourseConnect:

- Effects of Government Actions

Note: Open CourseConnect in a browser other than Internet Explorer to fully access all resources.

MyEconLab Homework and Study Plan: Chapter 7

To further supplement your learning as needed, engage with MyEconLab after completing the e-text reading and CourseConnect lesson

Complete the homework found in MyEconLab for the following chapter:

- chapter 7

Then, complete the practice problems in the Study Plan for the chapter to check your understanding of key concepts.

Tax Impact

Citizens of the United States pay a variety of taxes, including income tax, Social Security tax, real estate tax, and sales tax. Although taxes may be necessary to provide government services, taxes impact the amount of funds available to consumers for purchasing goods. Taxes also add costs to producers, which can increase prices of goods produced.

Tax Impact

Taxes affect wages and employment, and the cost of taxation is shared by both buyers and sellers. Creating fair and efficient tax systems is challenging because demographic characteristics such as age, health, marital status, and the number of children in households affects tax burdens.

This topic addresses the following competency:

- Competency 3002.1.6: Tax Impact
  The graduate analyzes the impacts of taxes on consumers, producers, employers, and workers.

This topic addresses the following objectives:

- Identify how sales taxes influence prices and quantities.
- Identify the effect of taxes on wages, employment, employers, and workers.
- Identify concepts of fairness in the tax system.

Read: Chapter 8
Read the following chapter in *Foundations of Microeconomics*:

- chapter 8 ("Taxes")

**CourseConnect: Tax Impact**

To supplement your learning as needed, engage with the following lesson in *Principles of Microeconomics* from Pearson CourseConnect:

- Tax Impact

*Note: Open CourseConnect in a browser other than Internet Explorer to fully access all resources.*

**MyEconLab Homework and Study Plan: Chapter 8**

To further supplement your learning as needed, engage with MyEconLab after completing the e-text reading and CourseConnect lesson.

Complete the homework found in MyEconLab for the following chapter:

- chapter 8

Then, complete the practice problems in the Study Plan for the chapter to check your understanding of key concepts.

**International Trade and Trade Restrictions**

International trade benefits both producers and consumers, because it allows them to seek out the best items for the best prices. It also allows countries with limited or restricted resources to engage in trade with countries with abundant resources.

**International Trade and Trade Restrictions**

International trade allows for more varied goods and services to be marketed to different cultures. Although there are many benefits from international trade, not all producers and consumers benefit from such trade. Trade restrictions are intended to protect domestic markets. However, imposing restrictions may result in higher trade-offs than anticipated.

This topic addresses the following competency:

- Competency 3002.1.7: International Trade and Trade Restrictions
  The graduate evaluates the benefits and costs of international trade.

This topic addresses the following objectives:

- Identify the function of trade in global markets.
- Identify how global trade affects participant gains and losses.
- Identify justifications for international trade restrictions.

**Read: Chapter 9**
Read the following chapter in *Foundations of Microeconomics*:

- chapter 9 ("Global Markets in Action")

**CourseConnect: International Trade and Trade Restrictions**

To supplement your learning as needed, engage with the following lesson in Principles of Microeconomics from Pearson CourseConnect:

- International Trade and Trade Restrictions

*Note: Open CourseConnect in a browser other than Internet Explorer to fully access all resources.*

**MyEconLab Homework and Study Plan: Chapter 9**

To further supplement your learning as needed, engage with MyEconLab after completing the e-text reading and CourseConnect lesson

Complete the homework found in MyEconLab for the following chapter:

- chapter 9

Then, complete the practice problems in the Study Plan for the chapter to check your understanding of key concepts.

**Examining Public Goods**

Goods or services that are available to everyone are called public goods. Economic principles apply in the production of public goods as well as private goods.

**Examining Public Goods**

Public goods are often subsidized with taxes. Municipalities should consider opportunity cost and cost effectiveness when allocating resources to produce public goods.

This topic addresses the following competency:

- Competency 3002.1.8: Examining Public Goods
  The graduate assesses the provision and importance of public goods.

This topic addresses the following objectives:

- Identify examples of private goods, public goods, common resources, and natural monopolies.
- Identify efficient quantities of public goods.
- Identify ways the delivery of public goods and services can lead to external benefits.

**Read: Chapter 11**

Read the following chapter in *Foundations of Microeconomics*: 

[Page 11/20]
- chapter 11 (“Public Goods and Common Resources”)

CourseConnect: Examining Public Goods

To supplement your learning as needed, engage with the following lesson in Principles of Microeconomics from Pearson CourseConnect:

- Examining Public Goods

Note: Open CourseConnect in a browser other than Internet Explorer to fully access all resources.

MyEconLab Homework and Study Plan: Chapter 11

To further supplement your learning as needed, engage with MyEconLab after completing the e-text reading and CourseConnect lesson.

Complete the homework found in MyEconLab for the following chapter:

- chapter 11

Then, complete the practice problems in the Study Plan for the chapter to check your understanding of key concepts.

Examining Externalities

It is not uncommon for the production of goods or services to have an effect on the environment or parties other than producers or consumers. When the production of goods negatively impacts individuals or the environment, governments can intervene to ensure that resources are allocated efficiently and that common resources are protected.

Examining Externalities

To protect environments and to regulate the efficient use of resources, governments can set limits, levy taxes, create special permits, or convert public property into private property.

This topic addresses the following competency:

- Competency 3002.1.9: Examining Externalities
  The graduate evaluates methods of efficiently dealing with negative externalities.

This topic addresses the following objectives:

- Identify examples of key terms related to negative externalities.
- Identify how government actions can lead to more efficient outcomes when negative externalities are present.

Read: Chapter 10

Read the following chapter in Foundations of Microeconomics:
• chapter 10 ("Externalities")

CourseConnect: Examining Externalities

To supplement your learning as needed, engage with the following lesson in Principles of Microeconomics from Pearson CourseConnect:

• Examining Externalities

Note: Open CourseConnect in a browser other than Internet Explorer to fully access all resources.

MyEconLab Homework and Study Plan: Chapter 10

To further supplement your learning as needed, engage with MyEconLab after completing the e-text reading and CourseConnect lesson.

Complete the homework found in MyEconLab for the following chapter:

• chapter 10

Then, complete the practice problems in the Study Plan for the chapter to check your understanding of key concepts.

Consumer Choice

Many factors influence consumer choice. Often, decisions consumers makes about which combinations of goods and services to purchase are based on budgets and available funds.

Consumer Choice
Consumer choice is influenced by budgets, marginal utility, price, value, and cost. When consumers make rational choices they strive to maximize their satisfaction.

This topic addresses the following competency:

• Competency 3002.1.10: Consumer Choice
  The graduate determines how rational consumers make choices to maximize their satisfaction.

This topic addresses the following objectives:

• Identify consumption possibilities when given a scenario with a budget and price for consumer goods.
• Identify the application of the marginal utility theory to the paradox of value.

Read: Chapter 13

Read the following chapter in Foundations of Microeconomics:

• chapter 13 ("Consumer Choice and Demand")
CourseConnect: Consumer Choice

To supplement your learning as needed, engage with the following lesson in Principles of Microeconomics from Pearson CourseConnect:

- Consumer Choice

Note: Open CourseConnect in a browser other than Internet Explorer to fully access all resources.

MyEconLab Homework and Study Plan: Chapter 13

To further supplement your learning as needed, engage with MyEconLab after completing the e-text reading and CourseConnect lesson.

Complete the homework found in MyEconLab for the following chapter:

- chapter 13

Then, complete the practice problems in the Study Plan for the chapter to check your understanding of key concepts.

Short-Run and Long-Run Costs

Accountants and economists tend to have different perceptions of value. Accountants are often more concerned with the outlays involved in costs, and economists are more focused on the value of opportunity costs. While it is important for a business to earn an accounting profit, it is also important to know what the opportunity costs are, because they can have an equally critical impact on the bottom line.

Short-Run and Long-Run Costs

Short-run costs are generally fixed and long-run costs are more likely to be variable. Fixed costs include rent, depreciation of equipment, utilities, and salaries. Longer-term costs can include large investments, such as the cost of building new facilities.

This topic addresses the following competency:

- Competency 3002.1.11: Short-Run and Long-Run Costs
  The graduate analyzes a firm’s short-run and long-run costs.

This topic addresses the following objectives:

- Calculate economic profit when given revenue and cost data.
- Identify the influence of costs in the short-run on a firm’s output.
- Define a long-run average cost curve.

Read: Chapter 14

Read the following chapter in Foundations of Microeconomics:
Looking at Perfect Competition

Perfect competition occurs when a number of sellers offer identical goods to buyers, with no single seller possessing an advantage. There are no restrictions or barriers to entering the market, and sellers and buyers tend to be equally knowledgeable about prices.

Looking at Perfect Competition

In perfect competition, companies do not set their own prices, and marginal revenue equals market prices. In the long run, changes in demand and supply can affect price, quantity, and profit.

This topic addresses the following competency:

- Competency 3002.1.12: Looking at Perfect Competition
  The graduate analyzes decisions made by a firm operating in perfectly competitive markets.

This topic addresses the following objectives:

- Identify how a firm in a perfect competition maximizes profits.
- Identify how perfectly competitive markets determine output, price and economic profit in the short-run.
- Identify how output, price, and profit are determined in perfectly competitive markets in the long-run.

Read: Chapter 15
Read the following chapter in *Foundations of Microeconomics*:

- chapter 15 (“Perfect Competition”)

**CourseConnect: Looking at Perfect Competition**

To supplement your learning as needed, engage with the following lesson in Principles of Microeconomics from Pearson CourseConnect:

- Looking at Perfect Competition

*Note: Open CourseConnect in a browser *other than* Internet Explorer to fully access all resources.*

**MyEconLab Homework and Study Plan: Chapter 15**

To further supplement your learning as needed, engage with MyEconLab after completing the e-text reading and CourseConnect lesson.

Complete the homework found in MyEconLab for the following chapter:

- chapter 15

Then, complete the practice problems in the *Study Plan* for the chapter to check your understanding of key concepts.

**Understanding Monopoly Markets**

In a monopoly market, a company is the sole seller of a product or service that has no close substitutes. Additionally, market barriers may prevent other companies from entering the market. A monopoly can practice price discrimination. Governments can regulate businesses to counter the effects of monopolies.

**Understanding Monopoly Markets**

Monopolies dominate markets both in terms of product offerings and pricing.

This topic addresses the following competency:

- Competency 3002.1.13: Understanding Monopoly Markets
  The graduate will analyze the behavior of a monopoly.

This topic addresses the following objectives:

- Identify characteristics of monopolies.
- Identify monopoly price setting strategies.
- Identify how a single-price monopoly makes output and price decisions.
- Compare a monopoly and perfect competition in equilibrium.
- Define different methods of monopoly regulation.

**Read: Chapter 16**
Read the following chapter in *Foundations of Microeconomics*:

- chapter 16 (“Monopoly”)

**CourseConnect: Understanding Monopoly Markets**

To supplement your learning as needed, engage with the following lesson in Principles of Microeconomics from Pearson CourseConnect:

- Understanding Monopoly Markets

*Note: Open CourseConnect in a browser other than Internet Explorer to fully access all resources.*

**MyEconLab Homework and Study Plan: Chapter 16**

To further supplement your learning as needed, engage with MyEconLab after completing the e-text reading and CourseConnect lesson.

Complete the homework found in MyEconLab for the following chapter:

- chapter 16

Then, complete the practice problems in the Study Plan for the chapter to check your understanding of key concepts.

**Monopolistic Competition and Oligopoly**

Monopolies exist when sellers offer services or products that have no close substitutes. Natural, legal, or regulatory barriers prevent others from entering monopoly markets. Businesses rely on advertising and branding to differentiate themselves in the marketplace.

An oligopoly is when a few firms control a market. Sometimes oligopolies form cartels to protect their interests.

**Monopolistic Competition and Oligopoly**

Monopolistic competition occurs when four companies control at least 60% of a market. An oligopoly exists when a few interdependent firms control a market.

This topic addresses the following competency:

- Competency 3002.1.14: Monopolistic Competition and Oligopoly
  The graduate will evaluate how firms in monopolistic competition and oligopoly determine their profit-maximizing strategies.

This topic addresses the following objectives:

- Identify the market structure which characterizes monopolistic competition.
- Identify the profit-maximizing decisions firms make in monopolistic competition.
- Identify the effects of advertising in industries characterized by monopolistic competition.
- Identify the market conditions of oligopoly.
- Analyze judgments faced by oligopolists using game theory.

Read: Chapters 17 and 18

Read the following chapters in *Foundations of Microeconomics*:

- chapter 17 ("Monopolistic Competition")
- chapter 18 ("Oligopoly")

CourseConnect: Monopolistic Competition and Oligopoly

To supplement your learning as needed, engage with the following lesson in Principles of Microeconomics from Pearson CourseConnect:

- Monopolistic Competition and Oligopoly

Note: Open CourseConnect in a browser other than Internet Explorer to fully access all resources.

MyEconLab Homework and Study Plan: Chapter 17 and Chapter 18

To further supplement your learning as needed, engage with MyEconLab after completing the e-text reading and CourseConnect lesson.

Complete the homework found in MyEconLab for the following chapters:

- chapter 17
- chapter 18

Then, complete the practice problems in the Study Plan for the chapters to check your understanding of key concepts.

**Distribution of Income**

Technological advances and demographic changes impact the number of jobs available in markets and the number of workers who are available for employment. Changes in markets due to technological innovations can reduce the number of jobs available in specific markets, and factors such as educational opportunities, retirement, and immigration can increase or decrease the number of individuals who are available for work at any given time. Currently in the United States, economic changes account for income disparities.

**Distribution of Income**

The overall net worth of individuals has shifted in the past decade. With demographic and technological changes affecting jobs, the gap between rich and poor has grown in the United States.

This topic addresses the following competency:
• Competency 3002.1.15: Distribution of Income
  The graduate will evaluate the ways factors of markets determine a society’s distribution income.

This topic addresses the following objectives:

• Define factors of production.
• Identify the important labor factors that influence the labor market.
• Identify methods unions use to influence the labor market supply and demand.
• Identify economic definitions of poverty and inequality in the U.S.
• Identify how governments redistributes income to address economic inequality and poverty.

Read: Chapters 19 and 20

Read the following chapters in Foundations of Microeconomics:

• chapter 19 ("Markets for Factors of Production")
• chapter 20 ("Economic Inequality")

CourseConnect: Distribution of Income

To supplement your learning as needed, engage with the following lesson in Principles of Microeconomics from Pearson CourseConnect:

• Distribution of Income

Note: Open CourseConnect in a browser other than Internet Explorer to fully access all resources.

MyEconLab Homework and Study Plan: Chapter 19 and Chapter 20

To further supplement your learning as needed, engage with MyEconLab after completing the e-text reading and CourseConnect lesson.

Complete the homework found in MyEconLab for the following chapters:

• chapter 19
• chapter 20

Then, complete the practice problems in the Study Plan for the chapters to check your understanding of key concepts.

Final Steps

Congratulations on completing the activities in this course! This course has prepared you to complete the assessments associated with this course. If you have not already been directed to complete the assessments, schedule and complete your assessments now.

The WGU Library
The WGU Library
The [WGU Library](https://library.wgu.edu) is available online to WGU students 24 hours a day.

For more information about using the WGU Library, view the following videos on [The WGU Channel](https://library.wgu.edu):

Introducing the WGU library

*Note: To download this video, right-click the following link and choose "Save as...":* [download video](https://library.wgu.edu).

Searching the WGU library

*Note: To download this video, right-click the following link and choose "Save as...":* [download video](https://library.wgu.edu).

**Center for Writing Excellence: The WGU Writing Center**

If you need help with any part of the writing or revision process, contact the Center for Writing Excellence (CWE). Whatever your needs—writing anxiety, grammar, general college writing concerns, or even ESL language-related writing issues—the CWE is available to help you. The CWE offers personalized individual sessions and weekly group webinars. For an appointment, please e-mail [writingcenter@wgu.edu](mailto:writingcenter@wgu.edu).