

ECO100: SECTIONS L0201 & L0301: 2016–17  
INTRODUCTION TO ECONOMICS

1 THE BIG PICTURE

**Lectures.** Mondays, Wednesdays and some Fridays, BT101. **L0201:** 12:10 PM – 1:00 PM; **L0301:** 1:10 PM – 2:00 PM.

**Contacting me.**

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office: Max Gluskin House (150 St. George Street), Room 330  
office hours: Wednesdays, 2:30 PM – 3:30 PM  
                  Thursdays, 10:00 AM – 11:00 AM (by appt. <https://calendly.com/rgazzale/>)  
email: [robert.gazzale@utoronto.ca](mailto:robert.gazzale@utoronto.ca)

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**Required Texts.**

- Krugman, Wells, Au, and Parkinson, *Microeconomics* and *Macroeconomics*, both Second Canadian Edition, Worth Publishers, 2014.
- Any handouts posted on the Portal.

**Required Websites.**

- UofT’s Learning Portal (a.k.a. Blackboard): <https://portal.utoronto.ca>
- MobLab: <https://www.moblab.com> (Registration instructions found in the Syllabus section of the Portal site.)

**Costs.**

- The UofT bookstore has, at a specially negotiated price, a bundle containing both textbooks as well as a MobLab access code.
- If you do not purchase the bundle, you must purchase MobLab access (US\$18 for the academic year) directly from MobLab. Follow the instructions found in the Syllabus section of the Portal site.

**Assessments.**

	Date	Time	Length	Weight
Warm-Up Exercise	Beginning of each semester. See Section 2.2.1.			2%
Participation	See Sections 2.2.2 and 2.2.3.			9%
Term Test 1	Friday, November 4, 2016	12:00 PM – 2:00 PM	2 hours	13%
Term Test 2	December examination period	TBA	2 hours	13%
Term Test 3	Friday, March 03, 2017	12:00 PM – 2:00 PM	2 hours	13%
Final Examination	May examination period	TBA	3 hours	50%

## 2 THE DETAILS

### 2.1 Goals of the Course

I have three goals for this course.

1. To introduce you to the economist way of thinking, and help you on the path towards thinking like an economist.
2. Introduce you to and help you understand some of the canonical models of modern economics. (This also entails understanding the limits of these models.)
3. Assist you in gaining sufficient proficiency with these models so that you can apply them to novel situations and appreciate their implications vis-a-vis current public policy issues.

We consider 2 broad classes of “problems.” The first part of the course (approximately 60%) covers *microeconomics*: the study of decisions made by individual households and firms and their allocative implications. The second part covers *macroeconomics*, which deals with economy-wide phenomena such as the total size of an economy, unemployment, inflation and the interaction between national economies.

### 2.2 Course Organization

I am often asked, usually after a disappointing term test, how to better master principles of economics. I always come back to two key strategies. First, because the subject matter is cumulative, *do not fall behind*. (Relatedly, I cannot stress enough the desirability of doing a first read of the required reading (it need not be in depth) *before* the corresponding lecture.) Second, solve problems. Lots of them. I have organized the course around these ideas.

#### 2.2.1 Warm-up Exercise

**Purpose** To learn more about how to help promote academic and personal success.

**Details** The exercise involves answering questions about personality traits or goals. You access the website on two occasions: during the first couple of weeks of the fall semester (which should take approximately 1 hour); and then during the first couple of weeks of winter semester (which should take approximately 15 minutes).

**Where** <http://warmup.utoronto.ca>

**Marks** 2% of your final grade. You earn full marks for completing **both** online sessions, and none otherwise.

#### 2.2.2 Portal Quizzes

**Purpose** Both to make sure that you keep up with the material and to give you practice solving the kinds of problems you will encounter on tests and the exam.

**Details I** Eight to ten questions each quiz, completed within one hour of starting the quiz. Due dates are listed in Section 3. Any answer submitted by 11:45 AM on the day indicated is marked.

**Details II** Each question has four versions. You will be randomly assigned one version of each question. In-person collaboration amongst small groups is permitted.

**Where** The Portal.

**Marks** There will be 22 quizzes. Late submissions will not be accepted. After dropping your three lowest marks, quiz performance will comprise the majority of your Participation grade.

### 2.2.3 Tutorials

**Purpose** Review and discuss concepts from lecture, to take up problems, and to participate in in-tutorial exercises.

**Details I** Starting the third week of classes, each student will attend an almost-weekly one-hour tutorial. (Tutorial weeks are listed in Section 3.) In the first couple of weeks of the course, you will indicate your preferences for approximately 10 time slots you are available. We will then assign you to a section.

**Details II** In order to receive credit for tutorial participation, you must have already completed MobLab registration and must come to your tutorial session with an internet-connected device capable of MobLab access.

**Marks I** There are 20 regular tutorial weeks. After dropping your three lowest marks, tutorial participation as captured by MobLab will comprise a minority of your Participation grade.

**Marks II** You earn marks equal to  $\frac{1}{4}\%$  of your final grade by completing a very brief MobLab survey by 10:30AM on Tuesday September 27.

## 2.3 Academic Integrity

Academic integrity is one of the cornerstones of the University of Toronto. It is critically important both to maintain our community which honours the values of honesty, trust, respect, fairness and responsibility and to protect you, the students within this community, and the value of your degree. According to Section B of the University of Toronto's Code of Behaviour on Academic Matters (<http://www.governingcouncil.utoronto.ca/Assets/Governing+Council+Digital+Assets/Policies/PDF/ppjun011995.pdf>), which all students are expected to know and respect, it is an offence for students:

- To obtain unauthorized assistance on any assignment.
- To provide unauthorized assistance to another student. This includes showing another student completed work (e.g., an answer in a test).
- To falsify or alter any documentation required by the University. This, includes, but is not limited to, the *Verification of Student Illness or Injury* form.
- To alter and submit for re-marking any course assignment (e.g., a test).
- To use **or possess** an unauthorized aid in any test or exam (e.g., cellphone, graphing or programmable calculator).
- To continue writing when the time is up in any test or exam.
  - **N.B.** Anyone writing when the invigilator announces the end of the test or exam period automatically loses 5% of the total marks available on the test or exam.

There are other offences covered under the Code, but these are by far the most common. Please respect these rules and the values which they protect.

### 2.4 Course Accessibility

Students with diverse learning styles and needs are welcome in this course. In particular, if you have a consideration which may require accommodation, please feel free to approach me and/or Accessibility Services (416-978-8060 or <http://www.studentlife.utoronto.ca/as>).

### 2.5 Texts

I recommend purchasing the indicated versions of the required texts.

### 2.6 Website

This course will make heavy use of the UofT's Learning Portal (a.k.a. Blackboard). You are responsible for checking it regularly. Content includes:

- Announcements;
- Copies of the lecture slides;
- Online quizzes;
- Tutorial Problem Sets;
- Additional problems, some with solutions; and
- Previous tests and exams.

### 2.7 MobLab

MobLab is an online platform for participating in economic experiments, games, markets and surveys. You access MobLab with any internet-connected device. See the Portal for registration instructions.

We will use MobLab in each tutorial. You are thus expected to attend your tutorial section with an internet-connected device in order to participate.

- You will use MobLab to submit “low-stakes” graded exercises. The nature of the exercises may vary week-to-week, but the primary objective is to provide students an opportunity to write about core ideas in the course, or practice solving an economics problem. Full points are awarded for any credible attempt at the exercise; Half-points for half-hearted attempts; and zero for no attempt.
- You will use MobLab to participate in economic games and markets. Full marks are awarded for sincere participation.

I may also, with advance notice, conduct MobLab sessions during lectures.

In order to provide incentives for sincere participation in economic games and markets, you earn lottery points based on your MobLab payoff for each game. At the end of the year, we add up everyone's lottery points, and will award a number of **cash** prizes. Your chance of winning one of these prizes depends on the number of lottery points you accumulate throughout the year.

**Important:** If you will not be able to participate using MobLab (for example, you do not own an internet-connected device), you must speak to me **before** September 27 to arrange an alternate means of earning the tutorial participation marks.

## 2.8 Lectures

During lecture, I will project “PowerPoint” slides. I encourage you to print them and bring them to lecture. You will notice that while a set of slides represents a good overview of a topic and contains many of the important definitions, many of the details are missing. During the lecture, we shall fill in the missing details, resulting in “marked-up” slides. **I will not make available the marked-up slides.** I have chosen this route of lecture-note delivery for two reasons.

1. The process of marking-up the slides slows me down. Trust me, this is a good thing.
2. I like to think that lecture attendance has benefits. Not providing the marked-up lecture notes is my little nudge towards increased attendance.

## 2.9 Tests and the Examination

The three term tests will comprise 39% of the course grade. The final examination will count for 50% of the course grade. The tests will consist of a combination of short-answer and multiple-choice questions.

Your mark on a test or exam (i.e., what is reported on the Portal) reflects any adjustments to the raw scores such as adding points to everyone’s score or not counting an unduly difficult/confusing question. Your mark, not your raw score, best reflects the quality of your submitted work.

The final examination is composed of multiple-choice and short-answer questions. Each ECO100 student answers a set of multiple choice questions covering core material common to all ECO100 sections, and a set of questions specific to each section.

### 2.9.1 Evaluations: What’s on the test?

While the final examination is cumulative, term tests are not. (**Caveat:** Economics is cumulative, so in covering current material, there will most surely be questions that use concepts, definitions, etc. from previous tests.)

If a concept, skill, or topic is addressed in lectures, required readings, or tutorials, it is testable.

**N.B.** My choosing to devote scarce lecture time to a topic or concept is a good indication I find it important. Things I find important have a nasty habit of appearing on tests and exams. While this set of facts **in no way** rules out the inclusion of material not covered in lectures, it may be helpful in prioritizing your preparation.

### 2.9.2 Evaluations: Marking and Appeals

If **after** reviewing the test solutions you believe your test was incorrectly graded, you may request remarking. Requests for remarking must:

1. be made in writing and submitted in person to the me (Prof. Gazzale). Requests will only be accepted by paper (i.e., not by email);
2. explain precisely WHY more points are justified for each disputed question; and
3. be submitted within two weeks of the date on which tests were returned.

The entire test will be remarked: your mark can go up, down, or remain unchanged.

### 2.9.3 Evaluations: Make-Up Test

Students missing a term test for an approved, certified medical reason (see section 2.9.4), or other approved cause, will be permitted to write a **comprehensive** (i.e., **cumulative**) make-up test towards the end of the term. Students who do not qualify for writing the make-up test will receive

a grade of zero for the missed test. **This make-up test may only replace one missed term test.**

**N.B.** Students who miss the final exam must petition the Faculty of Arts and Science for permission to write a deferred examination in the summer.

**Make-up details:** Friday, March 31 from 9:00 to 11:00 AM, UCC 266.

#### 2.9.4 Evaluations: Medical Certificates

If you are unable to write a test for a medical reason, all of the following must be satisfied in order for you to be permitted to write the make-up test.

- You must email me (Prof. Gazzale) *no later* than the end of the day of the test, indicating that you will not be writing the test due to illness.
- You must submit within **one week of the missed test**,<sup>1</sup> either in class or during normal office hours, the official University of Toronto's *Verification of Student Illness or Injury*, fully completed by a Physician, Surgeon, Nurse Practitioner, Registered Psychologist or Dentist.
- The practitioner must have assessed you no later than the day of the missed test.
- The note must confirm that in the practitioner's professional opinion, you were unable to write the test on the exact date of the test.

#### 2.10 Final Grades

Here is an official statement about final grades that assures all of you that they will be fairly awarded across sections:

- Historically, the average grade across all sections of Economics 100 is C+;
- The average grade in each section will vary to reflect the relative performance of students in that section on the common part of the final examination;
- The average grade for a section whose students perform above average on the common component of the final examination will be higher than the overall average grade for ECO100Y, and conversely.
- The average grade on each term test will, inevitably, vary across sections. However, it merits emphasis that students in a section where the average grade on a term test is low are NOT disadvantaged on this account. The average FINAL grade awarded in each section will reflect the performance of that students section on the common part of the final examination.

#### 2.11 Getting Assistance

**Instructor Office Hours** My office hours are listed on page 1. I assure you that I am a pretty nice guy, at least by New York City standards.

**TA Office Hours** Each week, course TAs will hold drop-in office hours. Hours and locations are posted on the Portal.

**Tutorials** Always a good bet.

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<sup>1</sup>If you miss a term test taking place in the December exam period, you must submit the documentation during the first week of classes in January.

**The Economics Study Centre** Located in Gluskin 110 (150 St. George Street), the Economics Study Centre is staffed by third and fourth-year undergraduate students (peer mentors) who assist students on a one-to-one basis or in study groups. Starting in the beginning of October, mentors are available Monday through Friday. This is a drop-in centre, students do not need to book an appointment. See <http://www.economics.utoronto.ca/index.php/index/undergraduate/load/studyCentre> for further details.

**Study Groups** Many find it beneficial to work on problems in small groups.

**Piazza** Piazza is an electronic discussion board through which students engage with each other by posting and responding to questions related to course materials. Piazza provides the opportunity for all students to become participants in class discussions. The discussions are regularly monitored by TAs and the instructor. You can sign-up for Piazza through the class Blackboard page, where more detailed instructions are provided. Piazza is the appropriate forum for posting questions pertaining to course content, administration, or economic ideas more generally.

### *2.12 Communication*

The TAs and I will make important announcements in lectures and tutorials, on the Portal, or via e-mail to the class. We obtain your UofT e-mail address from the Portal. I expect you to check your UofT email and the Portal regularly.

Email is **not** an appropriate forum for discussing course materials or asking questions about course content. As such, the use of email should be restricted to private matters, or to notify me of a course problem (e.g., broken link, typo, TA issues, etc.).

- For e-mails asking for a reply, if I can answer briefly without explaining course content or revealing something of general interest, then I will reply within three business days.
- All email should originate from your UofT email address, and include “ECO100Y, L0201” or “ECO100Y, L0301” in the subject field. The email must also have your name and student number.
- For any question that would interest other people (e.g. a question about an upcoming test, a course concept, etc.), you must post on Piazza (described above).
- If you receive no reply to your e-mail, check announcements, review the syllabus, post on Piazza, or see me or your TA in office hours or class.

3 SCHEDULE

Micro refers to *Microeconomics*, and Macro to *Macroeconomics*. Any modifications to the schedule will be widely announced.

	Day	Date	Topic	Reading	Quiz Due	Tutorial Week
0	Mon	12-Sep	Introduction			
1	Wed	14-Sep	Thinking Like an Economist	Micro 1 & 9		
2	Fri	16-Sep	Gains From Trade	Micro 2, 2a & 8		
3	Mon	19-Sep			✓	
4	Wed	21-Sep	Supply & Demand	Micro 3 & 3a		
5	Mon	26-Sep			✓	✓
6	Wed	28-Sep	Elasticity	Micro 6 & 6a		
7	Mon	3-Oct			✓	✓
8	Wed	5-Oct	Surplus	Micro 4		
	Mon	10-Oct	<b>No lecture but ...</b>		✓	✓
9	Wed	12-Oct	Interventions	Micro 5 & 7		
10	Mon	17-Oct			✓	✓
11	Wed	19-Oct	Demand	Micro 10		
12	Mon	24-Oct			✓	✓
13	Wed	26-Oct	Firm Costs	Micro 11		
14	Mon	31-Oct			✓	✓
15	Wed	2-Nov	Perfect Competition & Supply	Micro 12		
	Fri	4-Nov	<b>TERM TEST</b>			
16	Wed	9-Nov	Monopoly	Micro 13		
17	Mon	14-Nov	Price Discrimination	Handout	✓	✓
18	Wed	16-Nov				
19	Mon	21-Nov	Strategic Interactions	Micro 14	✓	✓
20	Wed	23-Nov	Oligopoly	Micro 14		
21	Mon	28-Nov			✓	✓
22	Wed	30-Nov	Externalities	Micro 16		
23	Mon	5-Dec			✓	Special
24	Wed	7-Dec	Public Goods	Micro 17		
25	Mon	9-Jan	Uncertainty	Micro 20; Handout		✓
26	Wed	11-Jan	Information	Micro 20; Handout		
27	Mon	16-Jan			✓	✓
28	Wed	18-Jan	Factor Markets	Micro 19		
29	Mon	23-Jan	Income Inequality	Micro 18	✓	✓
30	Wed	25-Jan				
31	Mon	30-Jan	GDP & Unemployment	Macro 6, 7 & 8	✓	✓
32	Wed	1-Feb				
33	Mon	6-Feb	CPI & Inflation	Macro 7 & 8	✓	✓
34	Wed	8-Feb				
35	Mon	13-Feb	Income & Expenditure	Macro 11, 11a & 13a	✓	✓
36	Wed	15-Feb				
	Mon	20-Feb	<b>No lecture but ...</b>		✓	

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	Day	Date	Topic	Reading	Quiz Due	Tutorial Week
37	Mon	27-Feb	AS-AD Model	Macro 12	✓	✓
38	Wed	1-Mar				
	Fri	3-Mar	<b>TERM TEST</b>			
39	Mon	6-Mar	Fiscal Policy	Macro 13		
40	Wed	8-Mar	Money and Banking	Macro 14		
41	Mon	13-Mar			✓	✓
42	Wed	15-Mar	Monetary Policy	Macro 15		
43	Mon	20-Mar	Banking Crises	Macro 17; Handout	✓	✓
44	Wed	22-Mar	Exchange Rate	Macro 13		
45	Mon	27-Mar			✓	✓
46	Wed	29-Mar	International Trade	Macro 5		
47	Mon	3-Apr	Economic Growth	Macro 14; Handout	✓	✓
48	Wed	5-Apr				

#### 4 TEXTBOOK READING GUIDE

Yes indeed, there are a lot of textbook pages! In allocating your scarce resource of time, a good first rule is to focus on things I focus on. That is, topics and ideas I find interesting and important are things I cover in lectures, problem sets and solved problems, and topics and ideas I find interesting and important tend to come to mind when I am writing tests and exams. The following guide might prove helpful as well.

**Micro 1** Read whole chapter for comprehension.

**Micro 2** Focus on pages 25–37; 40–41.

**Micro 2a** Math required in course. Review as needed.

**Micro 3** Entire chapter is core.

**Micro 3a** Entire chapter is core.

**Micro 4** Entire chapter is core.

**Micro 5** Definitely 137–155 (price controls). Students should read 155–163 (quantity controls) for general comprehension, and more in depth if we do cover the topic in lecture.

**Micro 6** Entire chapter is core.

**Micro 6a** Entire chapter is core.

**Micro 7** Focus on pages 199–216.

**Micro 8** Focus on pages 233–238.

**Micro 9** Focus on pages 265–282.

**Micro 10** Entire chapter is core.

**Micro 11** Entire chapter is core.

**Micro 12** Entire chapter is core.

**Micro 13** Entire chapter is core.

**Micro 14** Entire chapter is core.

**Micro 16** Entire chapter is core.

**Micro 17** Focus on pages 515–525 (public goods).

**Micro 18** Read whole chapter for comprehension.

**Micro 19** Entire chapter is core.

**Micro 20** Entire chapter is core.

**Macro 5** Focus on pages 150–168.

**Macro 6** Read whole chapter for comprehension.

**Macro 7** For 26/Jan/17, read pages 199–215. For 2/Feb/17, read pages 216–223.

**Macro 8** For 26/Jan/17, read pages 231–249. For 2/Feb/17, read pages 249–257.

**Macro 9** Read entire chapter for comprehension.

**Macro 11** Entire chapter is core.

**Macro 12** Entire chapter is core.

**Macro 13** Focus on pages 413–427.

**Macro 14** Focus on pages 453–483 (except Deposit Switching).

**Macro 15** Entire chapter is core.

**Macro 17** Read for comprehension.

**Macro 19** Entire chapter is core.