

Department of Economics
University of Toronto
Winter 2011-12

ECO 100Y – L0201 INTRODUCTION TO ECONOMICS

MWF12 – BT101

INSTRUCTOR

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OFFICE HOURS

Thursdays 4:30 – 5:30 PM

COURSE DESCRIPTION

The aim of this course is to provide a thorough understanding of how the economy works. The first part of the course will deal with *microeconomic* problems, that is, with the problems faced by the economic agents (households and firms). The second part will deal with *macroeconomic* problems, that is, with the problems faced by society as a whole (such as unemployment, inflation, high interest rates, volatile exchange rates, etc.).

REQUIRED TEXTBOOK

C.T.S. Ragan and R.G. Lipsey, *Economics*, Thirteenth Canadian Edition (Toronto: Pearson Addison Wesley, 2010). The purchase of the accompanying study guide by P.T Dickinson and G. Indart (Thirteenth Canadian Edition) is also required.

COURSE WEBSITE

The course website is <http://www.economics.utoronto.ca/gindart/>. In the course website you will find the announcements, lecture notes, problem sets, past tests and exams, and other useful information.

LECTURES

Lectures will be held on Mondays and Wednesdays (and occasionally on Fridays) from 12:00 noon to 1:00 PM in room BT101.

TUTORIALS

Tutorials will be offered weekly to answer questions arising from the problem sets, end-of-chapter problems, the Study Guide, or other course material. The times requested (although not guaranteed) are Mondays at 1:00 PM and 2:00 PM, Tuesdays at 10:00 AM and 11:00 AM, Wednesdays at 1:00 PM and 2:00 PM, Thursdays at 10:00 AM and 11:00 AM, and Fridays at 10:00 AM and 11:00 AM. Students will be assigned to one tutorial group according to their

preferences and availability. Locations will be announced later.

ECONOMICS AID CENTRE

Tutors will be available to provide individual instruction on course material at the Economics Aid Centre. Times and location will be announced later.

ECONOMICS STUDY CENTRE

The Economics Study Center is staffed by third- and fourth-year undergraduate students who act as peer mentors to Economics and Commerce students. The peer mentors assist students on a one-to-one basis or in study groups. Further information can be found in the Centre's website (<http://www.economics.utoronto.ca/index.php/index/undergraduate/load/studyCentre>).

e-TA SERVICE

Students could also e-mail course-related questions to the e-TA Service for a response from one of the Teaching Assistants assigned to this section of the course (e-mail address to be provided soon).

TESTS/EXAMS

There will be three 2-hour tests and the final exam. The tests will **not** be written during regular lecture times. They will be written on the following dates:

	Date	Time
Test 1	Friday, October 28	12:00 to 2:00 PM
Test 2	Wednesday, December 7	12:00 to 2:00 PM
Test 3	Friday, February 17	12:00 to 2:00 PM

The location for the tests will be announced later.

EVALUATION

The breakdown of the final grade will be as follows: each of the four tests will count for 16 and 2/3 percent of the final mark, and the final exam will count for the other 50 percent.

MAKE-UP TEST

Students missing a term test for a certified medical reason, or other approved cause, will be permitted to write a comprehensive make-up test towards the end of the second term. **In these instances, students are required (*without exceptions*) to submit official documentation *within one week of the missed test*.** In the case of illness, the official University of Toronto Medical Certificate form, available for downloading from the course website, must be used. Note that the form must be completed by a qualified medical doctor (i.e., not by an acupuncturist, chiropractor, or other health care professional) and that the doctor's OHIP registration number must be provided. **Original Medical Certificates (i.e., not a photocopy) must be submitted to the instructor in person (i.e., not to the Department's receptionist and not by fax or e-mail).** **Students deem ineligible for writing the make-up test will receive a *grade of zero for the missed test*.** The make-up test will be written on Friday, March 2 from 2:00 to 4:00 PM in a

Instructions for the Use of e-TA Service

- You must use your UTOReil account or your message will be automatically deleted.
- Your subject line must say ECO 100, or your message will be deleted without being read.
- In your e-mail, you must show some evidence of having tried a question before seeking clarification from e-TA. Make your question(s) as specific as possible.
- You are requested to include your name and student number at the end of the e-mail.
- You can expect a reply within 24 hours, assuming volumes are reasonable.
- We may need to limit the number of individual requests, should volumes be too large. Do not wait until the day before a test — you may not get an answer! Before a test, the latest time for an enquiry is 5:00 PM on the day before the test (but remember that there are no guarantees, so it's wise not to wait until 4:55 PM).
- You should recognize that answers will not include diagrams, and as a consequence, there could be some challenges in interpreting questions and answers.
- For extremely complex problems and issues, you are encouraged to make use of the face-to-face services of the Aid Centre where TAs can assist you and interact with you in real time, rather than via cyberspace.
- Your first source for e-questions is the e-TA. If you are not satisfied with an answer you get via e-TA, you are free to e-mail the instructor. I will expect you to include a copy of your question and the reply received from e-TA.
- e-TA is NOT to be used for administrative questions like "Is there a lecture this Tuesday?".

location to be announced. Please note that the make-up test will cover the entire material covered for Tests 1, 2 and 3. Also note that there will be no special allowance for any possible time conflict.

SUBMISSION OF MEDICAL CERTIFICATES

The University is cracking down on the excessive use — i.e., abuse — of doctors' notes to request tests and exam deferrals. Doctors' notes are supposed to certify that a student was ill and thus unable to write a test on a specific date, but they are not supposed to be used as an instrument for time management. The Office of Student Academic Integrity (OSAI) has started to evaluate the submission of all suspicious medical certificates.

If unable to write any one test for medical reasons, the student must submit a doctor's note where the physician clearly indicates that in his/her professional opinion the student was unable to write the test on that particular date. This means that the doctor cannot limit him/herself to repeat what the patient (i.e., the student) has told him/her — the physician must clearly certify that the student was sick at the time of the test and, in his/her professional opinion, unable to write it.

Students missing a term test for medical reasons are required (*without exceptions*) to submit official documentation *within one week* of the missed test. In these instances the official University of Toronto Medical Certificate form, available for downloading from the course website, must be used. Note that the form must be completed by a qualified medical doctor (i.e., not by an acupuncturist, chiropractor, or other health care professional) and that the doctor's OHIP registration number must be provided. Original Medical Certificates (i.e., not a photocopy) must be submitted to the *instructor in person* (i.e., not to the Department's receptionist and not by fax or e-mail).

Note that, in general, medical certificates indicating conditions such as headaches, diarrhoea, stomach ache, cold or other similar conditions will not be accepted as sufficient excuse for not

writing a test. All suspicious submissions of medical certificates in ECO100 will either be rejected or forwarded to OSAI for further evaluation.

Students must be aware that the submission of a medical note to get out of a test when the student is not actually sick is considered an offence covered under the University of Toronto's *Code of Behaviour on Academic Matters*.

MARKING AND APPEALS

Disputes over the evaluation of a test should be discussed with the instructor. After reviewing the solution posted on the course website, submit in person a brief note clearly indicating the reasons for your disagreement with the marking. Disagreement with the marking means that an error might have been made — for instance, the marker failing to consider a part of your answer. Note that indicating that in your view you deserved a higher mark is not a sufficient reason for requesting a remarking of a test. You must submit your appeal **within one week** after the test is returned to students. Please note that all questions of the test will be remarked and not only the question in dispute.

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 the degree towards which you are all working so diligently.

According to Section B of the University of Toronto's *Code of Behaviour on Academic Matters* (<http://www.utoronto.ca/govcncl/pap/policies/behaveac.html>), 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, doctor's notes.
- To use or possess an unauthorized aid in any test or exam (e.g., a cell phone).
- To continue writing when the time is up in any test or exam.
- To submit a medical note to get out of a test when the student is not actually sick.

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.

SOLUTIONS TO PROBLEM SETS

The purpose of the problem sets is to help you build skills and to deepen your understanding of the course material. One important skill is being able to figure out a solution approach to a problem that you have not seen before. To develop this skill and get a thorough comprehension of the subject you must make every effort to solve the problem yourself with the help of your lecture notes and the textbook. Consider answering these questions as if they were part of an open-book exam with the additional advantage of not having a time constraint. After you complete your answer to a question, then compare it to the solution provided in order to confirm that your answer is correct or to reflect where you might have gone wrong.

Looking at the solutions before attempting to answer the questions is not helpful. You might look at the solution and say: "Oh, this is easy." And it might be easy, but you haven't learned anything

from this exercise. I would dare you to wait 30 minutes and attempt to answer the same question without looking at the solution. You will see that the “easy” answer to the question is still as difficult as it was 30 minutes earlier. To look at the solutions first is the wrong approach — most likely you will forget the correct “easy” answer in no time. However, if you get to answer the question by yourself you will learn a lot more than just what the correct answer might be. You will learn “how” to get to the correct answer and you will also learn many details that had escaped you when you read your lecture notes and the textbook time and time again. And I can assure you that what you learn in this way you will not easily forget.

Of course, all this also applies to the solutions to old tests posted on the course website. **Attempt to answer these old tests without looking at the solutions!**

COURSE OUTLINE AND READING ASSIGNMENTS

Lecture 1 – Introduction – Chs. 1 and 2

Lecture 2 – Demand and Supply – Chs. 3 and 5

Lecture 3 – Elasticity – Ch. 4

Lecture 4 – Consumer Behaviour – Ch. 6 (including the Appendix)

Lecture 5 – Production and Costs in the Short-Run – Ch. 7

Lecture 6 – Production and Costs in the Long-Run – Ch. 8 (including the Appendix)

Lecture 7 – Short-Run Competitive Equilibrium – Ch. 9 (only sections 9.1, 9.2 and 9.3)

Lecture 8 – Long-Run Competitive Equilibrium – Ch. 9 (only section 9.4)

Lecture 9 – Monopoly – Ch. 10

Lecture 10 – Allocative Efficiency, Externalities, and Government Intervention – Chs. 12, 16 (only pp. 383-391) and 17 (only sections 17.1 and 17.2)

Lecture 11 – Introduction to Macroeconomics – Ch. 19

Lecture 12 – National Income Accounting – Ch. 20

Lecture 13 – Fixed Price Model: Aggregate Expenditure and Equilibrium Income – Chs. 21 and 22

Lecture 14 – Flexible Price Model: Aggregate Demand and Aggregate Supply – Ch. 23

Lecture 15 – Money, Banking, and Monetary Policy – Chs. 27 and 29

Lecture 16 – The Demand for Money and Equilibrium in the Money Market – Ch. 28

Lecture 17 – International Trade – Chs. 33 and 34

Lecture 18 – Balance of Payments and Exchange Rates – Ch. 35