

University of Toronto
Department of Economics
ECO100Y L0301: Principles of Economics
Fall/Winter, 2011/2012

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Office Hours: GE344: Wednesday, 2:10 – 4:00 PM

TEXTBOOK: *Economics* (13th Canadian Edition)
Christopher Ragan and Richard Lipsey. Toronto: Addison-Wesley, 2010

EVALUTION: Four 1-hour term tests comprise 50% of the total grade. A 3-hour final exam comprises the other 50% of the total grade in this course.

The midterm exams are from 1:10 to 2:10 PM on Friday, October 21, November 25, February 3, and March 16. Each midterm is a combination of diagrammatic, calculation, explanation and multiple-choice questions and covers the material since the previous midterm. Students who miss a midterm must email me a scanned copy of a medical or funeral document within one week of the exam. Students who miss midterms for a valid medical reason must write a 1-hour make-up exam covering the whole course from 1:10 to 2:10 PM on Friday, March 30.

The final examination is divided into multiple-choice questions, worth 50% of the exam, and analytic/diagrammatic/calculation/explanation questions, worth 50% of the exam. Each student in ECO100Y will answer the multiple-choice questions, which cover core material common to all sections, and will also answer the other questions specific to their section.

LECTURES and TUTORIALS

I will sell a package of Lecture Notes and Problem Sets with solutions at cost in class.

These problem sets are not graded but provide exercises necessary to clarify the economic models presented in the lectures and tested on exams.

Teaching Assistants will provide tutorials every week to clarify the problem sets and will also hold office hours for individual consultation on problems.

ECO100Y: Fall/Winter, 2011/2012
LECTURE AND READING SCHEDULE

Sept.	12	Introduction
Sept.	14	Basic Definitions: Chapter 2
Sept.	16	Production Possibilities Curves and Opportunity Cost. Ch.1, particularly 3-9 Problem Set: Production Possibilities
Sept.	19	Demand: Ch. 3, 49-57
Sept.	21	Shifts in Demand
Sept.	23	Supply, 57- 61 Problem Set: Demand and Supply
Sept.	26	Equilibrium Price and Quantity. Ch. 3, 62-70
Sept.	28	Government Price Controls. Ch. 5, 98-108, 114
Sept.	30	Government Price Controls: Ch.14: 342-344 Problem Set: Market Equilibrium and Price Controls
Oct.	3	Elasticity Ch. 4, 76-87
Oct.	5	Elasticity: Ch. 4, 91-95
Oct.	7	Elasticities and Tax: Ch. 4, 87-90 Problem Set: Elasticity and Per Unit Taxes
Oct.	12	Consumer Choice: Budget Lines. Ch. 6 Appendix, 139-43
	14	Consumer Choice: Indifference Curves. Ch. 6 Appendix, 139-43 Problem Set: Consumer Choice
Oct.	17	Consumer Equilibrium Ch. 6 Appendix, 143-46.
Oct.	19	Derivation of Demand. Ch. 6 Appendix, 143-46
Oct.	21	Midterm Exam #1: 1:10PM – 2:10 PM Problem Set: Multiple Choice Practice
Oct.	24	Substitution and Income Effects. Ch. 6, 126-31
Oct.	26	Substitution and Income Effects. Appendix, 126-31, 146-47,
Oct.	28	The Firm and Short-run Product. Ch. 7, 158-162 Problem Set: Derivation of Demand and Income/Substitution Effects
Oct.	31	The Firm and Short-run Product. Ch. 7, 158-162
Nov.	2	Short-run Cost. Ch. 7, 154-58
Nov.	4	Short-run Cost. Ch. 7, 163-69 Problem Set: Short-run Cost
Nov.	9	Short-run Competitive Equilibrium: Ch. 9, 198-211
	11	Changes in Short-run Competitive Equilibrium: Ch. 9, 198-211 Problem Set: Short-run Competitive Equilibrium
Nov.	14	Long-run Cost. Ch. 8.
	16	Competitive Long-Run Equilibrium. Ch. 9, 212-220
	18	Changes in Competitive Long-Run Equilibrium. Ch. 9, 212-220 Problem Set: Long-run Equilibrium
Nov.	21	Monopoly: Marginal Revenue and Profit Maximization. Ch. 10, 226-230
	23	Natural Monopolies and Cartels: Ch. 10, 231-239
	25	Midterm Exam #2: 1:10 - 2:10 PM Problem Set: Monopoly
Nov.	28	Economic Efficiency. Ch.5: 109-115
	30	Efficiency: Competition versus Monopoly. Ch. 6: 131-135; Ch. 12: 280-297
Dec.	2	Externalities. Ch. 16, 386-399; Ch. 17, 418-421; Ch. 18: 454-457 Problem Set: Efficiency
Jan.	9	Gains from Trade. Ch. 34: 875-876

ECO100Y: Fall/Winter, 2011/2012

	11	Comparative Advantage. Ch. 33, 843-855
	13	Comparative Advantage. Ch. 33, 843-855 Problem Set: Comparative Advantage
		MACROECONOMICS
Jan.	16	Business Cycles. Ch. 19, 475-484
	18	Unemployment. Ch. 31
	20	Price Indices and Inflation. Ch. 19, 484-493; Ch. 20: 509-511 Problem Set: Price Indices and Unemployment
Jan.	23	Gross Domestic Product (GDP). Ch. 20, 498-499
	25	National Accounts: Expenditure. Ch. 20, 500-508
	27	National Accounts: Income. Ch. 20, 510-513 Problem Set: National Accounts
Jan.	30	Aggregate Expenditure (AE): Consumption (C). Ch. 21, 518-527
Feb	1	AE: C + I (Investment) and Y (GDP) Equilibrium. Ch. 21, 527-542
	3	Midterm Exam #2: 1:10 - 2:10 PM Problem Set: Consumption/Investment
Feb	6	Equilibrium: $C + I + G + X - IM = Y$ Ch. 22. 547-562; Appendix
Feb	8	Equilibrium: $AE = Y$ & Multipliers. Ch. 22. 547-562; Appendix
	10	Government Deficits. Ch. 32: 819-825 Problem Set: MacroModel
Feb.	13	Money and Banking. Ch. 27, 672-679
	15	Money Supply. Ch. 27, 679-695
	17	Money Supply: Bank of Canada. Ch. 27, 679-695 Problem Set: Money Supply
Feb	27	Money Demand. Ch. 15: 360-364; Ch. 28: 701-710
	29	Money Demand. Ch. 15: 360-364; Ch. 28: 701-710
March	2	Equilibrium Money and Interest Rate. Ch. 28, 710-714 Problem Set: Money Demand/Supply and Equilibrium
March	5	Bank of Canada and Monetary Policy. Ch. 29, 729-744
	7	Marginal Efficiency of Investment
	9	Money and GDP Equilibrium. Ch. 15: 364-368 Problem Set: Money and GDP Equilibrium
March	12	Monetary and Fiscal Policy: Crowding Out
	14	Aggregate Demand. Ch. 23, 570-575
	16	Midterm Exam #4: 1:10 - 2:10 PM Problem Set: Aggregate Demand/Supply in the Short-run
March	19	Aggregate Demand. Ch. 23, 570-575
	21	Aggregate Supply and Short-run Equilibrium. Ch. 23, 575-582
	23	Aggregate Demand Shocks in the Short-run. Ch. 23, 582-586 Problem Set: Aggregate Demand/Supply in the Short-run
March	26	Long-run Aggregate Demand/Supply. Ch. 24; Ch. 28: 717-722; Ch. 30: 764-69
	28	Aggregate Demand and Aggregate Supply Shocks. Ch. 23, 582-586
	30	Balance of Payments: Ch. 35, 893-904 Problem Set: Aggregate Demand/Supply in the Long-run
April	2	Flexible Exchange Rates. Ch. 35, 893-904
	4	Fixed Exchange Rates and Monetary Policy; Ch. 35, 919-924 Problem Set: Balance of Payments and Exchange Rates