

University of Toronto
Department of Economics

ECONOMICS ECO105Y
Introduction to Economics for Non-Majors

Fall 2011 / Winter 2012

Instructor: Professor Avi J. Cohen
Office: 322 Max Gluskin House, 150 St. George
Phone: 416.978.0605
Office Hours: Mondays 1:15 – 3:45 pm; after class
Email: avi.cohen@utoronto.ca;
email is most reliable for personal issues only – I will respond within 48 hours
[I don't do Facebook]

INTRODUCTION

"The Theory of Economics does not furnish a body of settled conclusions immediately applicable to policy. It is a method rather than a doctrine, an apparatus of the mind, a technique of thinking which helps its possessor to draw correct conclusions." – John Maynard Keynes

The ECO105Y course introduces microeconomics and macroeconomics as the basis for making smart choices in life as consumers, businesspeople, investors and informed citizen judging government policies. Microeconomics focuses on cost/benefit analysis of all decisions. Topics include gains from trade, how prices coordinate choices, the roles of competition and monopoly, efficiency/equity tradeoffs, government versus market failures, environmental policies, and income/wealth distributions. Macroeconomics focuses on the performance of market economies – measured by GDP growth, unemployment, inflation – and appropriate roles for government monetary and fiscal policies. Topics include GDP, economic growth, business cycles, unemployment, inflation, money and the Bank of Canada, exchange rates, government deficits, the national debt, globalization and trade policy.

Provides intuitive fundamentals for economic literacy without the mathematical details of ECO100Y.
Students who intend to complete a minor, major, or specialist program in Economics are advised to take ECO100Y.

REQUIRED COURSE MATERIALS

Economics for Life: Smart Choices for You, 1st edition, by A. Cohen and I. Howe (Pearson, 2010) (includes Study Guide)
Economics for Life: Smart Choices for All?, 1st edition, by A. Cohen and I. Howe (Pearson, 2011) (includes Study Guide)

MyEconLab (MEL) (Pearson 2011)

How Markets Fail: The Logic of Economic Calamities, by J. Cassidy (Penguin, 2010)

- A bundled *Economics for Life* (micro+macro) / *MyEconLab* / *How Markets Fail* package is available in the UofT bookstore (ISBN 0132861216) for \$140.
- At mypearsonstore.ca, you can buy a 12 month access to an eText of both textbooks, with *MyEconLab* (ISBN-10: 0-321-75938-9), for \$75. *MyEconLab* access alone is \$35 for both textbooks. The Cassidy book is available on amazon.ca for about \$15.

A calculator is not required and is not allowed at tests and the exam.

Any additional required readings will be posted to the course website.

FINAL GRADE

Your final course grade will be based on 10 on-line quizzes in *MyEconLab* collectively worth 10%; your best 3 marks from the 4 non-cumulative term tests worth 15% each (collectively 45%), a 1-2 page writing assignment in the form of a newspaper op-ed piece worth 15%, and a cumulative final exam worth 30%. The writing assignment will use TurnItIn <http://www.teaching.utoronto.ca/teaching/academicintegrity/turnitin.htm>.

The breakdown with the specific marks used in calculating your final course numerical average is below.

<u>Task</u>	<u>% of Course Grade</u>	<u>Date</u>	<u>Marks</u>
<i>MyEconLab</i> Quizzes	10%	<i>Throughout academic year</i>	60
Test 1	15% (4-6 pm, 50 minutes)	Monday, 31 October 2011	90
Test 2	15% (4-6 pm, 50 minutes)	Wednesday, 7 December 2011	90
Test 3	15% (4-6 pm, 50 minutes)	Monday, 13 February 2012	90
Test 4	15% (4-6 pm, 50 minutes)	Monday, 26 March 2011	90
Writing Assignment	15%	TBA	90
Final Exam	30%	April 11 - 30, 2012	180
Totals	100%		600

MAKE-UP POLICY

No permission is **ever** given to a student to write a test or exam in advance of its scheduled date. Students missing one term test for religious, medical or emergency reasons will have their other three tests count as their "best 3 out of 4" in calculating their course average. No documentation is required for one missed test. **Missing more than one term test results in a grade of zero for the second missed test unless you provide a fully completed University of Toronto Medical Certificate showing a physical incapability of writing the test (dated the day of the test or earlier) within one week of the second missed test.** No other medical documentation is acceptable. With an acceptable University of Toronto Medical Certificate, you will be allowed to write a make-up test on Monday, 2 April 2012 during normal class time. The make-up test will cover the material on all 4 term tests. The make-up test is only for students who miss a second test and provide acceptable documentation. **No** student is ever allowed to write a make-up test in order to improve a score from an original test.

COURSE WEBSITE AND *MyEconLab*

You can access the course website and *MyEconLab* at <http://pearsonmylab.com>. You will need a valid **Pearson access code** that either came with your purchased textbook, or that you bought online. Use that access code to get to the ECO105Y Fall 2011 (Cohen) website by following the instructions below.

How To Enroll in ECO105Y Website and *MyEconLab*

Go to <http://pearsonmylab.com>

Select 'Register - Student'

Enter your Course ID: **cohen53454**

On the *Register/Sign In* page, select 'Create an account'

On the *Register/Create an Account* page,

- Enter the email address you use most, and also use that email address as your username;
- Choose a password;
- Where it asks for First Name, **enter your University of Toronto UTORid. Do NOT enter your first name** – we will add it later;
- Enter your Last Name **exactly as it appears on your University of Toronto ID card**;
- Complete the rest of the page.

On the *Register/Select an Option* page, select the “Access Code” blue box.

On the *Register/Access Code* page, enter the access code from your textbook/online purchase, and follow the remaining steps.

For subsequent visits to the course website, please log into <http://pearsonmylab.com> as a returning user with the username/password you just created.

If you entered your first name instead of your UTORid when registering, I will explain in class how to correct that mistake.

Technical Support

Detailed instructions on navigating the course are available from the ‘Help & Support’ links at the top right of every webpage. Once in ‘Help & Support,’ click on ‘Student Help.’

The **Tech Help** tab on the main course menu also contains 24/7 contact information for Pearson. Go to <http://247pearsoned.custhelp.com/> which has live chat, or call 800 677-6337 between noon and 8 pm, EST.

If you have technical problems, **I cannot help**. Contact Pearson.

Discussion Forums

All questions about course content (economics) should be posted to the online Discussion Forums. These forums are moderated by the TAs, but often a classmate will provide a correct answer more quickly. Post questions, responses, comments about any course material -- lectures, textbook, study guide, *MyEconLab*, media stories, etc. All new postings/threads require a subject line. **To receive a response from a TA or from me, the first word in your subject line must be your TA's name**. Then add a descriptive subject. For example: charles - opportunity cost. Your TA is responsible for responding (if another student hasn't already answered your question) to all posts from his/her assigned students. I will jump in after the TAs if I think I have something to add. **I will not discuss individual content question by email** unless your posted question has not been answered satisfactorily on the discussion board. There are 500 of you, and 1 of me.

COURSE WORK

Lectures are on Mondays, 4-6 pm. I will only use the Friday 11 am time to make up missed lecture time from term tests or because I was absent on a Monday. Already scheduled Friday 11 am lectures are listed on the lecture schedule.

Please silence all cell phones before entering the lecture hall. Lecture notes (in the form of PowerPoint slides) will be available at least 24 hours in advance of class on the course website (<http://pearsonmylab.com>). You should print out a copy of the lecture notes and bring them to class, as the pace of lectures will presume you have the notes in front of you. You need to login to the website at least twice a week to stay current with course information.

The term tests and final exam consist of multiple choice (MC) questions and short answer/essay problems (SAP). These will be similar to the questions in the **MyEconLab and Study Guide Assignments** on the course outline for each textbook chapter. If you want additional practice, there are also **Optional Assignments** for *MyEconLab* and the Study Guide listed for each chapter on the course website. None of these assignments will be graded and will not directly affect your grade. However, the importance of doing the assigned questions cannot be overemphasized. Next to attending and understanding the lectures, working out the answers to the assigned questions is the most important preparation for the term tests and exam. You will not do well if you cannot answer the assigned questions. **The multiple choice and short answer/essay problems on the term tests and exam will also cover the material from the Cassidy book covered in lecture.**

One of the dangers of a course where you do not have written, graded assignments is that you may fall behind in your reading and studying. In most university courses, but in Economics in particular, falling behind is a recipe for disaster, as last minute cramming does not work. The failure rate on first term tests in Economics is typically high because students do not take this advice. To help prevent this outcome, I will have online quizzes throughout the term that must be completed by specific dates.

The first quiz, **Quiz Zero**, appears on the course website and is designed to ensure that you are familiar with all of the rules of this course. All of the answers to the questions in Quiz Zero may be found in this course outline. You may take Quiz Zero as many times as necessary until you get all questions right. While you will not receive any marks towards your final course grade, you will not be able to access the graded quizzes until you complete Quiz Zero with a perfect score. Once you complete Quiz Zero with a perfect score, the excuse of "I didn't know that rule for make-ups / missed quizzes / test times / appeals, etc" will, of course, not apply to you. Quiz Zero will also help you get familiar with *MyEconLab*.

You will have at least 1 week to complete each of the 10 graded quizzes, and they can be accessed from any computer with an internet connection, anywhere in the world. Accordingly, **I do not accept any excuses for missing a quiz.**

Read the **How to Succeed** page on the website for advice on studying if you want to increase your chances of earning a higher grade. Another tip is to be sure to attend lectures. One of the most common mistakes students make is to think that because the PowerPoint lecture notes are available online, there is no reason to attend lectures. The notes contain the main concepts (which are also in the text), but do *not* contain the detailed explanations and examples that help you make sense of the concepts. The tests and exam focus less on recall of information, and more on application of concepts to different situations. That is also why working the practice problems in the **Assignments** is important.

The lecture schedule on pages 6-7 indicates, for each week, the textbook and Cassidy chapters you should be reading and the *MyEconLab* and Study Guide Assignments. I may not always finish a topic on the listed date, in which case I will continue lecturing on that topic at the start of the next class, before moving on to the listed topic for that date.

ACADMIC HONESTY

Students should note that copying, plagiarizing, or other forms of academic misconduct will not be tolerated. Any student caught engaging in such activities will be subject to academic discipline ranging from a mark of zero on the assignment, test or examination to dismissal from the university as outlined in the academic handbook. Any student abetting or otherwise assisting in such misconduct will also be subject to academic penalties.

Cheating and plagiarism are serious offences, which carry severe penalties. All students are expected to make themselves familiar with the Code of Behaviour on Academic Matters, which is at <http://life.utoronto.ca/get-smarter/academic-honesty.htm>.

Requests for re-grading of term tests must be submitted, in writing, to the instructor within 10 days of the date the test is returned. After that time, original grades will not be changed. These requests should formally justify where additional consideration is warranted according to the printed answer guide. Re-grading involves a reevaluation of the entire test and may raise or lower the original score. Tests written in pencil cannot be submitted for re-grading. I personally review all re-graded tests.

TUTORIALS and TEACHING ASSISTANTS

There are **no** tutorials for this course. Teaching Assistants will hold regular office hours, which will be announced later in September. Every TA will be assigned a group of students for which s/he is responsible for answering questions posted on the Discussion Forum. During office hours, you may see your assigned TA or any other TA for help.

LET'S GO

If you don't learn a lot of Economics, or find this course interesting or enjoyable, then I'm not doing my job. I love teaching this course, and consider it my responsibility to help you to do well. Learning Economics means working hard. But if you are willing to put in the time, I will do everything I can to help you succeed. If you have questions in lecture, ask them. If you see media stories about Economics that interest you, send them to me. If you have suggestions for improving the course, please let me know. What you will get out of this course, as what you will get out of your University experience in general, depends entirely on what you put into it.

LECTURE SCHEDULE AND ASSIGNMENTS**Fall 2011 ECO105Y**

WEEK OF	TOPIC	READING ASSIGNMENTS	MEL & STUDY GUIDE (MC, SAP) ASSIGNMENTS	QUIZZES & FRIDAY 11 AM CLASSES
Sept. 12	What's in Economics for You?: Scarcity, Opportunity Cost, Trade	Micro Ch. 1; Cassidy Introduction	Get to know MEL	Quiz Zero available
Sept. 19	Specialization and Trade: The Division of Labour, Comparative Advantage	Cassidy Ch. 2	Ch. 1: MEL MC SAP Study Plan All 4-9	Class Friday 23 Sept
Sept. 26	Making Smart Choices: The Law of Demand	Micro Ch. 2	Ch. 2: MEL MC SAP Study Plan All 2-10	Class Friday 30 Sept
Oct. 3	Just How Badly Do You Want It?: Price Elasticity of Demand and Total Revenue	Micro Ch. 2		Quiz 01 Due
Oct. 10	No class – Thanksgiving			
Oct. 17	Show Me the Money: The Law of Supply	Micro Ch. 3	Ch. 3: MEL MC SAP Study Plan All 1-9	
Oct. 24	Coordination Smart Choices: Demand and Supply	Micro Ch. 4; Cassidy Ch. 3	Ch. 4: MEL MC SAP Study Plan All 2-4, 9-10	Quiz 02 Due Class Friday 28 Oct
Oct. 31	TEST 1 – Monday 31 October			
Nov. 7	No class – Reading week			
Nov. 14	What Gives When Prices Don't?: Government Choices, Markets, Efficiency, Equity	Micro Ch. 5	Ch. 5: MEL MC SAP Study Plan All 2-4, 8-10	Quiz 03 Due
Nov. 21	Finding the Bottom Line: Opportunity Costs, Economic Profits/Losses, Miracle of Markets; The Power to Price: Monopoly and Competition	Micro Chs. 6, 7; Cassidy Ch. 4	Ch. 6: MEL MC SAP Study Plan All 1-7 Ch. 7: MEL MC SAP Study Plan All 1-2, 4-9	Quiz 04 Due
Nov. 28	Pricing for Profits: Marginal Revenue and Marginal Cost	Micro Ch. 8	Ch. 8: MEL MC SAP Study Plan All 1-6, 8-10	Class Friday 2 Dec
Dec. 5	Monopoly Rules: Government Regulation, Competition, the Law	Micro Ch. 9; Cassidy Chs. 10, 11	Ch. 9: MEL MC SAP Study Plan All 3-10	Quiz 05 Due
Dec. 1	TEST 2 – Wednesday 7 December (counts as a Monday)			

LECTURE SCHEDULE AND ASSIGNMENTS**Winter 2012 ECO105Y**

WEEK OF	TOPIC	READING ASSIGNMENTS	MEL & STUDY GUIDE (MC, SAP) ASSIGNMENTS	QUIZZES & FRIDAY 11 AM CLASSES
Jan. 9	Acid Rain on Others' Parades: Externalities, Carbon Taxes, Free Riders and Public Goods; What Are You Worth?: Demand and Supply in Input Markets, Income & Wealth Distributions	Micro Chs. 10, 11; Cassidy Ch. 9	Ch. 10: MEL MC SAP Study Plan All 1-9 Ch. 11: MEL MC SAP Study Plan All 2-4, 7-10c	
Jan. 16	Are Your Smart Choices Smart for All?: Macroeconomics and Microeconomics	Macro Ch. 01; Cassidy Ch. 1	Ch. 01: MEL MC SAP Study Plan All 4-5, 7-10	Quiz 06 Due
Jan. 23	Up Around the Circular Flow: GDP, Economic Growth, Business Cycles	Macro Ch. 02	Ch. 02: MEL MC SAP Study Plan All 3-9	
Jan. 30	Costs of (Not) Working and Living: Unemployment and Inflation	Macro Ch. 03	Ch. 03: MEL MC SAP Study Plan All 2-5, 7-10	Quiz 07 Due
Oct. 10	No class – Thanksgiving			
Feb. 6	Skating to Where the Puck is Going: Aggregate Supply and Aggregate Demand	Macro Ch. 04; Cassidy Chs. 13, 14	Ch. 04: MEL MC SAP Study Plan All 3-4, 7-9	Quiz 08 Due Class Friday 10 Feb
Feb. 13	TEST 3 – Monday 13 February			
Feb. 20	No class – Reading week			
Feb. 27	Money is for Lunatics: Demanders and Suppliers of Money	Macro Ch. 05	Ch. 05: MEL MC SAP Study Plan All 3-6, 8-10	
Mar. 5	Trading Dollars for Dollars?: Exchange Rates with the Rest of the World	Macro Ch. 06	Ch. 06: MEL MC SAP Study Plan All 3-10	Quiz 09 Due
Mar. 12	Steering Blindly?: Monetary Policy and the Bank of Canada	Macro Ch. 07; Cassidy Ch. 6	Ch. 07: MEL MC SAP Study Plan All 2-10	
Mar. 19	Spending Others' Money: Fiscal Policy, Deficits, National Debt	Macro Ch. 08; Cassidy Conclusion, Afterword	Ch. 08: MEL MC SAP Study Plan All 4-10	Class Friday 23 Mar
Mar. 26	TEST 4 – Monday 26 March			
April 2	Are Sweatshops All Bad? Globalization and Trade Policy	Macro Ch. 09	Ch. 09: MEL MC SAP Study Plan All 3-6, 8-9	Quiz 10 Due
FINAL EXAM – APRIL 11 – 30, 2012				