

ECO100: SECTION L0301: 2012–13
INTRODUCTION TO ECONOMICS

1 THE BIG PICTURE

Lectures. Mondays, Wednesdays and some Fridays: 1:00 PM – 2:00 PM; BT101.

Office Hours.

Office: Max Gluskin House (150 St. George Street), Room 330
Times: Wednesdays, 2:30 PM – 4:00 PM
Thursdays, 10:00 AM – 11:00 AM (by appt. <https://tungle.me/rgazzale>)

Texts.

- **Required:** Mankiw, Kneebone and McKenzie, *Principles of Microeconomics*, Fifth Canadian Edition, 2011.
- **Required:** Ragan and Lipsy, *Macroeconomics*, Thirteenth Canadian Edition, 2011.
- **Required:** Any handouts posted on the Portal.
- **Recommended:** Manouchehri and Fortura, *Study Guide to accompany Gregory Mankiw et. al. Principles of Microeconomics (5th Canadian Edition)*

Website. UofT's Learning Portal (Blackboard): <https://portal.utoronto.ca>

Assessments.

	Date	Length	Weight
Term Test 1	Friday, October 19, 2012	1 hour	12.5%
Term Test 2	Friday, November 30, 2012	1 hour	12.5%
Term Test 3	Friday, February 08, 2013	1 hour	12.5%
Term Test 4	Friday, March 22, 2013	1 hour	12.5%
Final Examination	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*: problems faced by society as a whole, such as unemployment, inflation, high interest rates, volatile exchange rates, etc.

2.2 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.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, doctors notes.
- To alter and submit for re-marking any course assignment (e.g., a test).
- To obtain under false pretence a doctors note.
- To use or possess an unauthorized aid in any test or exam (e.g., a cellphone).
- To continue writing when the time is up in any 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.

2.3 Course Accessibility

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

2.4 Texts

I recommend purchasing the indicated versions of the required texts. Substitutes for you to consider:

Previous Editions My quick perusal suggests that current versions of the texts do not greatly differ from their immediate predecessors.¹ Two things to consider: First, much of the money saved today with a previous edition will be “lost” if you sell your textbook at the end of the year. Second, you are responsible for figuring out any and all “cross-edition” differences.

Electronic Access CourseSmart offers electronic access to the texts:

- Mankiw: http://www.coursesmart.com/IR/4690171/9780176502416?__hdv=6.8
- R&L: http://www.coursesmart.com/IR/4690171/9780321606549?__hdv=6.8

While cheaper in the short run, you cannot resell your access at the end of the year, and your access lasts only 180 days. (Translation: if you begin your rental in September, you will no longer have access when the final exam rolls around.)

¹Likewise, the Canadian version of Mankiw looks like the current U.S. edition, only with “Canadian” examples.

2.5 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;
- Tutorial Problem Sets;
- Additional problems, some with solutions; and
- Previous tests and exams.

2.6 Lectures

In general, lectures will be held only on Mondays and Wednesdays. With sufficient notice, I may schedule lectures on select Fridays if we are falling behind schedule.

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 increase attendance.

2.7 Tutorials

Tutorials, each led by a course Teaching Assistant (TA) will be offered (almost) weekly. The exact schedule will be posted on the Portal. The primary goal of these sessions is to review Tutorial Problem Sets.² Also, tests will be returned, and solutions reviewed, in tutorials.

Tutorials will be arranged early in the semester. Tutorial assignments will not be graded, but are designed to improve the student understanding of the core material and to prepare students for the term tests and final examination.

2.8 Evaluations

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

The final examination (50% of the course grade) 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.

2.8.1 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.

²Written solutions to Tutorial Problem Sets will not be provided.

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.

2.8.2 Evaluations: Marking and Appeals

If **after** reviewing the test solutions you believe your exam was incorrectly graded, you must go to TA office hours to discuss the issue with a TA. If at this point you would like your exam regraded, the TA will bring your exam to the Instructor *without indicating the answer you are disputing*. The *entire* test will be regraded, which may result in either an increase or decrease of your grade.

Note that if we made an error adding your marks, please bring it to the attention of a TA, either in office hours or your tutorial. (We will not regrade your entire exam in this case.)

2.8.3 Evaluations: Medical Certificates

If you are unable to write any of the tests for medical reasons, you must submit official documentation within one week of the missed test. Further details:

- The official University of Toronto Medical Certificate <http://www.healthservice.utoronto.ca/pdfs/medcert.htm>, must be used.
- Medical Certificates must be submitted to the instructor in person (i.e., not to the Department receptionist and not by fax or e-mail).
- Your physician must clearly indicate that in his or her professional opinion you were unable to write the test on that particular date. This means that the doctor cannot just repeat your complaint — the physician must clearly certify that you were sick and unable to write the test on that particular day.
- Suspicious medical certificates will be forwarded to the Office of Student Academic Integrity (OSAI) for further evaluation.

2.8.4 Evaluations: Make-Up Test

Students missing a term test for an approved, certified medical reason (see above), 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: 1:00 PM on Friday, April 5, 2013, location to be announced.

2.9 Getting Assistance

Instructor Office Hours My office hours are listed on page 1. The Wednesday slot is drop-in: just show up. The Thursday slot is by appointment only. To make a 15-minute appointment, visit <https://tungle.me/rgazzale> at least 6 hours before the requested appointment.

TA Office Hours Each week, course TAs will hold drop-in office hours. Hours and locations will be posted early in the semester.

TA Sessions Always a good bet.

The Economics Study Center Located in Gluskin 110 (150 St. George Street), the Economics Study Center 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 Mondays through Thursdays, 1:00PM–5:00PM, with special ECO100 hours Thursdays from 11:00AM–1:00PM. 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.

2.10 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.

Unfortunately, given the size of this course, you should not expect a personal reply if you e-mail me with a request. If you have a private concern or if you would like a personal reply then please speak to me in person during my posted office hours. In contrast, if there is a course issue that you think I should know about (e.g., error in posted solutions, broken link on the course website, etc.), please feel free to notify me via e-mail. In other words, you can use e-mail with me the same way I do with you: to let the other know about something but not as part of a back-and-forth discussion. For the latter, we need to talk.

2.11 Doing Well in ECO100

A student faces a classic economic problem. She takes a bunch of inputs (time and effort spent reading, solving problems, going to class, etc.) to produce an output: knowledge and understanding, which is hopefully highly correlated with her grade.³ Her main resource, time, is rather constrained. Each individual student will solve this time allocation problem differently: some will be less willing to give up leisure time (or time devoted to other courses or a job) to devote it to this course; some may need to read multiple times to match the comprehension another gains in one reading. That being said, I offer 3 pieces of advice.

Prepare for lectures. I have two things in mind. First, PDFs of the slides I project during lecture will be available on the Portal. Many find it helpful to print the PDFs before class and take notes on the printout. Second, do the textbook reading, at least at a level of general comprehension, *before* class. Trust me.

Do problems. The most important skill in this class is the ability to take the concepts we develop in class and apply them to novel situations and environments. Solving problems is the best way I know to develop this skill. (Solving problems also serves a valuable self-assessment role.) In addition to Tutorial Problem Sets and end-of-chapter problems in the texts, I will post problems on the Portal.

Seek assistance. Wisely. Economics is cumulative and ECO100 is fast paced. Resolving confusion quickly, perhaps with assistance from the sources above, is key to keeping up. That being said, do not underestimate the benefits of struggle. There is tremendous value to taking incorrect paths, and understanding why they do not work, before arriving at a fruitful approach. Finding the balance between struggle and assistance is tricky but worthwhile.

³There is, of course, a random component. Don't you just hate when a topic you know really well is under-represented on an exam?

3 TENTATIVE SCHEDULE

Our tentative schedule is below. A blank topic indicates continuation from the previous meeting. Adjustments are not unlikely. Any modifications to the schedule will be widely announced.

3.1 Microeconomics

Day	Date	Topic	Reading
Mon	10-Sep-12	Introduction	Mankiw 1
Wed	12-Sep-12	Gains from Trade	Mankiw 2 & 3
Mon	17-Sep-12	Supply & Demand	Mankiw 4
Wed	19-Sep-12		
Mon	24-Sep-12	Elasticity	Mankiw 5
Wed	26-Sep-12		
Mon	1-Oct-12	Efficiency	Mankiw 7
Wed	3-Oct-12	Market Interventions	Mankiw 6
Mon	8-Oct-12	NO CLASS	
Wed	10-Oct-12		
Mon	15-Oct-12	Taxes	Mankiw 8
Wed	17-Oct-12	Consumer Choice	Mankiw 21
Mon	22-Oct-12		
Wed	24-Oct-12	Inputs and Costs	Mankiw 13
Mon	29-Oct-12		
Wed	31-Oct-12	Perfect Competition	Mankiw 14
Mon	5-Nov-12		
Wed	7-Nov-12	Monopoly	Mankiw 15
Mon	12-Nov-12	NO CLASS	
Wed	14-Nov-12	Price Discrimination	Handout
Mon	19-Nov-12	Oligopoly	Mankiw 17
Wed	21-Nov-12		
Mon	26-Nov-12	Externalities	Mankiw 10
Wed	28-Nov-12		
Mon	3-Dec-12	Public Goods	Mankiw 11
Wed	5-Dec-12		
Mon	7-Jan-13	Asymmetric Info	Mankiw 22 (pp. 497–495)
Wed	9-Jan-13	Factor Markets	Mankiw 18
Mon	14-Jan-13		Mankiw 21, pp. 476–479
Wed	16-Jan-13	Earnings & Discrimination	Mankiw 19
Mon	21-Jan-13	Income Inequality	Mankiw 20 & 12 (pp. 257–264)
Wed	23-Jan-13		

3.2 *Macroeconomics*

Day	Date	Topic	Reading
Mon	28-Jan-13	National Income	R&L 19, 20
Wed	30-Jan-13		
Mon	4-Feb-13	AD & The Multiplier	R&L 21, 22
Wed	6-Feb-13		
Mon	11-Feb-13	AD & AS	R&L 23, 24
Wed	13-Feb-13		
Mon	18-Feb-13	NO CLASS	
Wed	20-Feb-13	NO CLASS	
Mon	25-Feb-13	AD & AS (cont)	
Wed	27-Feb-13		
Mon	4-Mar-13	Long-Run Growth	R&L 25, 26
Wed	6-Mar-13		
Mon	11-Mar-13	Money, Banking and Monetary Policy	R&L 27–29
Wed	13-Mar-13		
Mon	18-Mar-13	Unemployment & Inflation	R&L 30, 31
Wed	20-Mar-13		
Mon	25-Mar-13	International Trade	R&L 33, 34
Wed	27-Mar-13		
Mon	1-Apr-13	Exchange Rates	R&L 35
Wed	3-Apr-13		