

University of Toronto: Department of Economics

ECO100Y L5101: Principles of Economics

Summer, 2012: MP203

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Office Hours: MW 5:20-6:10PM in MP203

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 6:10 to 7:10PM in the lecture hall (MP203) on **June 4, June 20, July 18, and August 8**. 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 for the right to write a midterm covering the whole course from 5:10 to 6:10 PM on August 13.

The final examination is divided into multiple-choice questions, worth 50% of the exam, and analytic/diagrammatic/calculation 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 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.

TUTORIALS/OFFICE HOURS: TBA

LECTURE AND READING SCHEDULE

May	14	Introduction and Basic Definitions: Chapter 2 Production Possibilities Curves. Ch.1, particularly 3-9 Problem Set: Production Possibilities
May	16	Demand: Ch. 3, 49-57; Supply, 57- 61 Problem Set: Demand and Supply
May	23	Equilibrium Price and Quantity. Ch. 3, 62-70 Government Price Controls. Ch. 5, 98-108, 114; Ch.14: 342-344 Problem Set: Market Equilibrium and Price Controls
May	28	Elasticity Ch. 4, 76-87, 91-95; Elasticities and Tax: Ch. 4, 87-90 Problem Set: Elasticity and Per Unit Taxes
May	30	Consumer Choice: Budget Lines & Indifference Curves. Ch. 6 Appendix, 139-43 Consumer Equilibrium and Derivation of Demand. Ch. 6 Appendix, 143-46. Problem Set: Consumer Choice
June	4	Midterm Exam #1:6:10PM – 7:10PM (Lecture begins at 8:30PM) Substitution and Income Effects. Ch. 6, 126-31; Appendix, 126-31, 146-47 Problem Set: Derivation of Demand and Income/Substitution Effects
June	6	The Firm and Short-run Product. Ch. 7, 158-162 Short-run Cost. Ch. 7, 154-58; 163-69 Problem Set: Short-run Cost

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June.	11	Short-run Competitive Equilibrium: Ch. 9, 198-211 Long-run Cost. Ch. 8. Problem Set: Short-run Equilibrium
June	13	Competitive Long-Run Equilibrium. Ch. 9, 212-220 Monopoly: Marginal Revenue and Profit Maximization. Ch. 10, 226-228 Problem Set: Long-run Equilibrium
June	18	Monopoly Equilibrium. Ch. 10, 228-230 Natural Monopolies and Cartels: Ch. 10, 231-239 Problem Set: Monopoly
June	20	Midterm Exam #2: 6:10 - 7:10 PM (Lecture begins at 8:30PM) Economic Efficiency. Ch.5: 109-115, Ch. 6: 131-135; Ch. 12: 280-297 Problem Set: Efficiency
July	4	Externalities. Ch. 16, 386-399; Ch. 17, 418-421; Ch. 18: 454-457 Gains from Trade, Ch. 34: 875-876; Comparative Advantage, Ch. 33, 843-855 Problem Set: Comparative Advantage MACROECONOMICS
July	9	Business Cycles and Unemployment. Ch. 19, 475-484, Ch. 31 Price Indices and Inflation. Ch. 19, 484-493; Ch. 20: 509-511 Problem Set: Price Indices and Unemployment
July	11	Gross Domestic Product (GDP) and National Accounts. Ch. 20, 498-499 National Accounts: Expenditure and Income. Ch. 20, 500-508; 510-513 Problem Set: National Accounts
July	16	Aggregate Expenditure (AE): Consumption (C). Ch. 21, 518-527 AE: C + I (Investment) and Equilibrium. Ch. 21, 527-542 Problem Set: Consumption/Investment
July	18	Midterm Exam #3: 6:10 - 7:10 PM (Lecture begins at 8:30PM) Equilibrium: $C + I + G + X - IM = Y$ & Multipliers. Ch. 22. 547-562; Appendix Government Deficits. Ch. 32: 819-825 Problem Set: MacroModel
July	23	Money and Banking. Ch. 27, 672-679 Money Supply. Ch. 27, 679-695 Problem Set: Money Supply
July	25	Money Demand. Ch. 15: 360-364; Ch. 28: 701-710 Equilibrium Money and Interest Rate. Ch. 28, 710-714 Problem Set: Money Demand/Supply and Equilibrium
July	30	Bank of Canada and Monetary Policy. Ch. 29, 729-744 Money and GDP Equilibrium. Ch. 15: 364-368 Problem Set: Money and GDP Equilibrium
August	1	Aggregate Demand. Ch. 23, 570-575 Aggregate Supply and Short-run Equilibrium. Ch. 23, 575-582 Problem Set: Aggregate Demand/Supply in the Short-run
August	8	Midterm Exam #4: 6:10 - 7:10 PM (Lecture begins at 8:30PM) Aggregate Demand and Aggregate Supply Shocks. Ch. 23, 582-586 Long-run Aggregate Demand/Supply. Ch. 24; Ch. 28: 717-722; Ch. 30: 764-69 Problem Set: Aggregate Demand/Supply in the Short-run
August	13	Balance of Payments and Flexible Exchange Rates. Ch. 35, 893-904 Fixed Exchange Rates and Monetary Policy; Ch. 35, 919-924 Problem Set: Balance of Payments and Exchange Rates