

Department of Economics  
University of Toronto  
Winter 2014

## **ECO 100Y – L0101 INTRODUCTION TO ECONOMICS Second Term**

### **INSTRUCTOR**

Gustavo Indart  
Department of Economics  
150 St. George Street, Room 175  
Telephone: 416-978-5331  
E-mail: [g.indart@utoronto.ca](mailto:g.indart@utoronto.ca)  
Website: <http://www.economics.utoronto.ca/gindart/>

### **OFFICE HOURS**

Friday, 9:00 – 10:00 AM

### **COURSE DESCRIPTION**

The aim of this course is to provide a thorough understanding of how the economy works. The first part of the course dealt 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, *Macroeconomics*, 14<sup>th</sup> Canadian Edition (Toronto: Pearson Addison Wesley, 2014). The purchase of the accompanying study guide by P.T Dickinson and G. Indart is strongly recommended.

### **COURSE WEBSITE**

The website for the second part of the course 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 11:00 AM to 12:00 noon in room BT101.

### **TUTORIALS**

Tutorials will be offered weekly to answer questions arising from the problem sets or other course material. Tutorial groups will continue meeting at the same times and locations as in the first term.

## ECONOMICS AID CENTRE

Tutors will be available to provide individual instruction on course material at the Economics Aid Centre. Time and location of operation of the Centre will be the same as in the first term.

## 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. The Centre operates from Monday to Thursday in room GE 110. Further information can be found in the Centre's website (<http://www.economics.utoronto.ca/index.php/index/undergraduate/load/studyCentre>).

## TESTS/EXAM

In addition to the two tests written in the first term of the course, one more test will be written in the second term. This 1-hour test will be written on Friday, February 28 from 11:00 AM to 12:00 noon in a location to be announced.

The final exam will cover the material for both terms and will be written during the regular examination period.

## EVALUATION

The breakdown of the final grade will be as follows: each of the three 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 deemed 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 28 from 11:00 AM to 12:00 noon in a 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, diarrhea, 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 in marking 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. [For useful tips for avoiding academic misconduct visit the website of the Office of Student Academic Integrity at <http://www.artsci.utoronto.ca/osai/students/how-can-i-avoid-an-offence.>]

## 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 tutorials 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 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!**

### Second Term Course Outline and Reading Assignments\*

Lecture 0 – Introduction to Macroeconomics – Ch. 19

Lecture 1 – National Income Accounting – Ch. 20

Lecture 2 – Fixed Price Model: Aggregate Expenditure and Equilibrium Income – Chs. 21 and 22

Lecture 3 – Flexible Price Model: Aggregate Demand and Aggregate Supply – Ch. 23

Lecture 4 – Money, Banking, and Monetary Policy – Chs. 27 and 29

Lecture 5 – The Demand for Money and Equilibrium in the Money Market – Ch. 28

Lecture 6 – International Trade – Chs. 33 and 34

Lecture 7 – Balance of Payments and Exchange Rates – Ch. 35

\* Each "lecture" refers to one particular topic. It will take usually two or three class meetings to present the material of one lecture.