

University of Toronto: Department of Economics

ECO100Y L5201: Principles of Economics

Summer, 2013: TR 6-9PM in SS2102

Kieran Furlong: k.furlong@utoronto.ca

Office Hours: TR 5:10-6:10PM in SS2102, MW 5:10-6:10PM in MP203

TEXTBOOK: *Economics* (14th 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 6:00 to 7:10PM on **June 4, June 20, July 16, and August 6**. 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/funeral document within one week of the exam to write a midterm covering the whole course from 5:10 to 6:10 PM on August 12. 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 (\$10) 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:

Monday/Wednesday 1:00 – 2:00 PM

Monday/Wednesday 2:00 – 3:00 PM

Monday/Wednesday 4:00 – 5:00 PM

Monday/Wednesday 5:00 – 6:00 PM

LECTURE AND READING SCHEDULE

May	14	Introduction and Basic Definitions: Chapter 2 and Appendix Chapter 1 Production Possibilities Curves. Ch.1, particularly 4-9 Problem Set: Production Possibilities
May	16	Demand: Ch. 3, 55-64; Supply, 64-68 Problem Set: Demand and Supply
May	21	Equilibrium Price and Quantity. Ch. 3, 68-77 Government Price Controls. Ch. 5, 98-113; Ch.14: 346-348 Problem Set: Market Equilibrium and Price Controls
May	23	Elasticity Ch. 4, 81-90, 95-98; Elasticities and Tax: Ch. 4, 92-95 Problem Set: Elasticity and Per Unit Taxes
May	28	Consumer Choice: Budget Lines & Indifference Curves. Ch. 6 Appendix, 143-4 Consumer Equilibrium and Derivation of Demand. Ch. 6 Appendix, 148-50. Problem Set: Consumer Choice
May	30	Substitution and Income Effects. Ch. 6, 130-38; Appendix, 150-51 The Firm and Short-run Product. Ch. 7, 153-66 Problem Set: Derivation of Demand and Income/Substitution Effects
June	4	Midterm Exam #1: 6:10PM – 7:10PM (Lecture begins at 8:30PM) Short-run Cost. Ch. 7, 166-173 Problem Set: Short-run Cost
June.	6	Short-run Competitive Equilibrium: Ch. 9, 200-214

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		Long-run Cost. Ch. 8, 177-185
		Problem Set: Short-run Equilibrium
June	11	Competitive Long-Run Equilibrium. Ch. 9, 215-220
		Monopoly: Marginal Revenue and Profit Maximization. Ch. 10, 227-230
		Problem Set: Long-run Equilibrium
June	13	Monopoly Equilibrium. Ch. 10, 230-34
		Natural Monopolies and Cartels: Ch. 10, 237-241
		Problem Set: Monopoly
June	18	Economic Efficiency. Ch.5: 113-120, Ch. 12: 281-296
		Externalities. Ch. 16, 391-397; Ch. 17, 418-423; Ch. 18: 454-457
		Problem Set: Efficiency
June	20	Midterm Exam #2: 6:10 - 7:10 PM (Lecture begins at 8:30PM)
		Gains from Trade, Ch. 34: 846-858; Comparative Advantage, Ch. 33, 823-839
		Problem Set: Comparative Advantage
		MACROECONOMICS
July	2	Business Cycles and Unemployment. Ch. 19, 473-483, Ch. 31, 775-796
		Price Indices and Inflation. Ch. 19, 484-493; Ch. 20: 509-511
		Problem Set: Price Indices and Unemployment
July	4	Gross Domestic Product (GDP) and National Accounts. Ch. 20, 497-505
		National Accounts: Expenditure and Income. Ch. 20, 505-515
		Problem Set: National Accounts
July	9	Aggregate Expenditure (AE): Consumption (C). Ch. 21, 518-527
		AE: C + I (Investment) and Equilibrium. Ch. 21, 527-541
		Problem Set: Consumption/Investment Money and Banking. Ch. 27, 664-671
July	11	Equilibrium: $C + I + G + X - IM = Y$ & Multipliers. Ch. 22. 545-559; Appendix
		Government Deficits. Ch. 32: 801-809
		Money and Banking. Ch. 27, 664-671
		Problem Set: MacroModel
July	16	Midterm Exam #3: 6:10 - 7:10 PM (Lecture begins at 8:30PM)
		Money Supply. Ch. 27, 678-685
		Problem Set: Money Supply
July	18	Money Demand. Ch. 15: 361-367; Ch. 28: 690-699
		Equilibrium Money and Interest Rate. Ch. 28, 700-703
		Problem Set: Money Demand/Supply and Equilibrium
July	23	Bank of Canada and Monetary Policy. Ch. 29, 719-733
		Money and GDP Equilibrium. Ch. 15: 367-371
		Problem Set: Money and GDP Equilibrium
July	25	Aggregate Demand. Ch. 23, 566-572
		Aggregate Supply and Short-run Equilibrium. Ch. 23, 575-576
		Problem Set: Aggregate Demand/Supply in the Short-run
July	30	Aggregate Demand and Aggregate Supply Shocks. Ch. 23, 572-583
		Long-run Aggregate Demand/Supply. Ch. 24; Ch. 28: 707-714; Ch. 30: 756-61
		Balance of Payments and Flexible Exchange Rates. Ch. 35, 873-878
		Problem Set: Aggregate Demand/Supply in the Short-run
August	6	Midterm Exam #4: 6:10 - 7:10 PM (Lecture begins at 8:30PM)
		Fixed Exchange Rates and Monetary Policy; Ch. 35, 878-889
		Problem Set: Balance of Payments and Exchange Rates
August	8	Review