

ECO100: SECTION L0301: SUMMER 2013  
INTRODUCTION TO ECONOMICS

1 THE BIG PICTURE

**Lectures.** Tuesdays and Thursdays, possibly some Wednesdays: 10:00 AM – 12:00 PM; KP108.

**Tutorials.** Wednesdays: 10:00 AM – 12:00 PM; KP108.

**Contacting me.**

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email: [robert.gazzale@utoronto.ca](mailto:robert.gazzale@utoronto.ca)  
office: Max Gluskin House (150 St. George Street), Room 330  
office hours: Wednesdays, 12:30 PM – 1:30 PM

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**Texts.**

- **Required:** Frank, Bernanke, Osberg, Cross and McLean, *Principles of Microeconomics*, McGraw-Hill Ryerson, Fourth Canadian Edition, 2012.
- **Required:** Frank, Bernanke, Osberg, Cross and McLean, *Principles of Macroeconomics*, McGraw-Hill Ryerson, Fourth Canadian Edition, 2012.
- **Required:** Any handouts posted on the Portal.

**Websites.**

- UofT's Learning Portal (Blackboard): <https://portal.utoronto.ca>
- McGraw-Hill's connect: <http://connect.mcgraw-hill.com>
  - Registration instruction in the Syllabus section of the Portal site.

**Costs.**

- The UofT bookstore has the textbooks at a specially negotiated price.
- The textbook includes access to McGraw-Hill's connect.
- Those students who do not obtain access to connect through the purchase of a textbook should speak with Prof. Gazzale to arrange access.

**Assessments.**

	Date	Time	Length	Weight
Online quizzes		Weekly		5%
Online homeworks	Five in total. See Table 1.			5%
Term Test 1	Friday, June 14, 2013	2:00 PM – 4:00 PM	2 hours	20%
Term Test 2	Friday, July 26, 2013	2:00 PM – 4:00 PM	2 hours	20%
Final Examination	TBA	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 Course Organization

I am often asked, usually after a disappointing term test, how to better master principles of economics. I always come back to two key strategies. First, do a first read of the textbook chapter *before* the corresponding lecture. Second, solve problems. Lots of them. I have organized the course around these ideas.

#### 2.2.1 Weekly online quizzes

**Purpose** My first goal is to get you to come to lecture having already read the assigned chapters at the level of general comprehension. My second aim is to give you initial feedback on your initial understanding of the broad concepts introduced in the textbook.

**Details** The online quiz is due each Tuesday at 9:45 AM.<sup>1</sup> The questions will be straightforward assuming you have done the reading.

**Where** McGraw-Hill’s connect: <http://connect.mcgraw-hill.com>.

**Marks** 5% of your final grade. There will be 11 quizzes. Late quizzes will not be accepted. I will drop your two lowest marks.

#### 2.2.2 Online homeworks

**Purpose** First, give you practice with the type of multiple-choice problems you will find on tests. Second, give you a chance for you to self-assess in preparation for the term tests.

**Details** The questions will generally be more difficult than those in the online quizzes. Due dates are indicated in Table 1.

**Where** McGraw-Hill’s connect: <http://connect.mcgraw-hill.com>.

**Marks** 5% of your final grade. There will be five homeworks. Late submissions will not be accepted. I will drop your lowest mark.

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<sup>1</sup>The quiz will be available by 2:00 PM on the preceding Thursday.

Assessment	Due Date	
Homework 1	Friday, 24 May, 2013	5:00 PM
Homework 2	Friday, 7 June, 2013	5:00 PM
Homework 3	Friday, 5 July, 2013	5:00 PM
Homework 4	Friday, 19 July, 2013	5:00 PM
Homework 5	Friday, 9 August, 2013	5:00 PM

Table 1: Homework due dates and times.

### 2.2.3 Tutorials and Tutorial Problem Sets

**Purpose:** Review the types of problems you might encounter in the short-answer and problem-solving sections of a test or exam. Review the more tricky concepts introduced in lecture.

**Details:** Every Wednesday, 10:00 AM – 12:00 PM, with Tutorial Problem Sets posted approximately one week beforehand. Problems in Tutorial Problem Sets will look a lot like short answer and calculation problems on tests and the examination.

**Where:** Tutorial Problem Sets will be posted on the Portal. Tutorials take place in KP108.

**Marks** Tutorial Problem Sets are neither collected nor graded.

### 2.3 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, the *Verification of Student Illness or Injury* form.
- 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., cellphone, graphing or programmable calculator).
- To continue writing when the time is up in any test or exam.
  - Anyone writing when the test or exam invigilator automatically loses 5% of the total marks available on the 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.

### 2.4 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/>).

### 2.5 Texts

I recommend purchasing the indicated versions of the required texts.

### 2.6 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.

### 2.7 Lectures

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.

### 2.8 Tests and the Examination

The two term tests will comprise 40% 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.

**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. Regrades must be requested within 2 weeks after we first attempt to return the test to you.

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: Make-Up Test

Students missing a term test for an approved, certified medical reason (see section 2.8.4), 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:** Friday, August 2 from 2:00 to 4:00 AM, location to be announced.

### 2.8.4 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. The details:

- I only accept the official University of Toronto *Verification of Student Illness or Injury* fully completed by a Physician, Surgeon, Nurse Practitioner, Registered Psychologist or Dentist.
- The **original** certificate must be submitted to me, Prof. Gazzale, in person (i.e., not to the Department receptionist and not by fax or e-mail).
- The practitioner must have assessed you no later than the day of the missed test.
- The practitioner must initial either Serious or Severe.
- Suspicious certificates will be forwarded to the Office of Student Academic Integrity (OSAI) for further evaluation.

## 2.9 Getting Assistance

**Instructor Office Hours** My office hours are listed on page 1.

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

**Tutorials** Always a good bet.

**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.

3 TENTATIVE SCHEDULE

Micro refers to *Principles of Microeconomics*, and Macro to *Principles of Macroeconomics*. Any modifications to the schedule will be widely announced.

Day	Date	Topic(s)	Readings
Tue	14/May/13	Introduction; Economic Thinking	Micro1
Thu	16/May/13	Gains from Trade	Micro2
Tue	21/May/13	Supply and Demand	Micro3
Thu	23/May/13	Demand	Micro4
Fri	24/May/13	<b>Homework Due</b>	
Tue	28/May/13	Short-Run Supply	Micro5
Thu	30/May/13	Long-Run Supply	Micro6
Tue	4/June/13	Surplus and Market Interventions	Micro7
Thu	6/June/13	Monopoly and Price Discrimination	Micro8; Portal handout
Fri	7/June/13	<b>Homework Due</b>	
Tue	11/June/13	Oligopoly and Strategic Interactions	Micro9
Thu	13/June/13	Externalities & Public Goods	Micro10; Micro14
Fri	14/June/13	<b>Term Test</b>	
Tue	18/June/13	Uncertainty	Portal handout
Thu	20/June/13	Information	Micro11; Portal handout
Tue	2/July/13	Factor Markets	Micro12
Thu	4/July/13	Income Inequality	Micro13
Fri	5/July/13	<b>Homework Due</b>	
Tue	9/July/13	TBD	TBD
Thu	11/July/13	Intro to Macro; GDP and Unemployment	Macro4; Macro5
Tue	16/July/13	Inflation and Prices;The Short Run	Macro6; Macro7
Thu	18/July/13	Short-Run Spending and Output	Macro8
Fri	19/July/13	<b>Homework Due</b>	
Tue	23/July/13	Money and Banking	Macro9; Macro10
Thu	25/July/13	The AD-AD Model	Macro11
Fri	26/July/13	<b>Term Test</b>	
Tue	30/July/13	Exchange Rates & International Trade	Macro13; Macro15
Thu	1/Aug/13	Economic Growth	Macro14; Portal handout
Tue	6/Aug/13	Financial Markets	Macro16
Thu	8/Aug/13	Financial Crises	TBD
Fri	9/Aug/13	<b>Homework Due</b>	