

ECO100: SECTIONS L0201 & L0301: 2014–15
INTRODUCTION TO ECONOMICS

1 THE BIG PICTURE

Lectures. Mondays, Wednesdays and some Fridays, BT101. **L0201:** 12:10 PM – 1:00 PM; **L0301:** 1:10 PM – 2:00 PM.

Contacting me.

office: Max Gluskin House (150 St. George Street), Room 330
office hours: Wednesdays, 2:30 PM – 3:30 PM
 Thursdays, 10:00 AM – 11:00 AM (by appt. <https://calendly.com/rgazzale/>)
email: robert.gazzale@utoronto.ca

Required Texts.

- Krugman, Wells, Au, and Parkinson, *Microeconomics* and *Macroeconomics*, both Second Canadian Edition, Worth Publishers, 2014.
- Any handouts posted on the Portal.

Websites.

- UofT's Learning Portal (a.k.a. Blackboard): <https://portal.utoronto.ca>
- *sapling learning*: <https://www.saplinglearning.ca> (Registration instructions found in the Syllabus section of the Portal site.)

Costs.

- The UofT bookstore has the textbook at a specially negotiated price (\$169 for a bound copy, \$155 for a loose-leaf version). Either format includes 12-month access to *sapling learning* and the online version of the textbook.
- Alternatively, the UofT bookstore sells codes for 12-month access to the electronic version of the textbook (\$135). The e-textbook includes 12-month access to *sapling learning*.
- Alternatively, the UofT bookstore sells codes for 12-month access to *sapling learning* without textbook access for \$59.

Assessments.

	Date	Time	Length	Weight
Online quizzes	22 in total. See Section 3.			7%
Online homeworks	Seven in total. See Section 3.			4%
Term Test 1	Friday, October 24, 2014	12:00 PM – 2:00 PM	2 hours	13%
Term Test 2	December examination period	TBA	2 hours	13%
Term Test 3	Friday, February 27, 2015	12:00 PM – 2:00 PM	2 hours	13%
Final Examination	May examination period	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*, which deals with economy-wide phenomena such as the total size of an economy, unemployment, inflation and the interaction between national economies.

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 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 Due dates are listed in Section 3. Completed online, a quiz is due at 11:45 AM on the day indicated, and is marked at exactly that time.¹ The questions will be straightforward assuming you have done the reading.

Where *sapling learning*: <https://www.saplinglearning.ca>

Marks 7% of your final grade. There will be 22 quizzes. Late quizzes will not be accepted. I will drop your **four** 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. Homework dates are listed in Section 3. A homework is due at 5:00 PM on the day indicated, and will be marked immediately.

Where The Portal.

Marks 4% of your final grade. There will be seven homeworks. Late submissions will not be accepted. I will drop your lowest mark.

¹Translation: there is no allowance for lateness. Whatever you have submitted by 11:45 AM is marked.

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 In the first week of the course, you will indicate for which of approximately 10 time slots you are available. We will then assign you to a section.

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.governingcouncil.utoronto.ca/Assets/Governing+Council+Digital+Assets/Policies/PDF/ppjun011995.pdf>), 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 obtain under false pretence or falsify 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 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.
 - **N.B.** Anyone writing when the invigilator announces the end of the test or exam period 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;
- Online quizzes;
- Online homeworks;
- 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 increased attendance.

2.8 Tests and the Examination

The three term tests will comprise 39% of the course grade. The final examination will count for 50% of the course grade. The tests will consist of a combination of short-answer and multiple-choice questions.

The final examination 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, April 4 from 9:00 to 11:00 AM, UC 266.

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.² The details:

- I only accept the official University of Toronto's *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.

²If you miss a term test taking place in the December exam period, you must submit the documentation during the first week of classes in January.

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 SCHEDULE

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

	Day	Date	Topic	Reading	Quiz	Homework
0	Mon	8/Sep/14	Introduction			
1	Wed	10/Sep/14	Thinking Like an Economist	Micro 1 & 9		
2	Fri	12/Sep/14	Gains from Trade	Micro 2, 2a & 8		
3	Mon	15/Sep/14				
4	Wed	17/Sep/14	Supply & Demand	Micro 3 & 3a	✓	
5	Mon	22/Sep/14				
6	Wed	24/Sep/14	Elasticity	Micro 6 & 6a	✓	
	Fri	26/Sep/14	No lecture but ...			✓
7	Mon	29/Sep/14	Surplus	Micro 4	✓	
8	Wed	1/Oct/14	Interventions	Micro 5 & 7	✓	
9	Mon	6/Oct/14				
10	Wed	8/Oct/14	Demand	Micro 10	✓	
11	Wed	15/Oct/14				
	Fri	17/Oct/14	No lecture but ...			✓
12	Mon	20/Oct/14	Firm Costs	Micro 11	✓	
13	Wed	22/Oct/14				
	Fri	24/Oct/14	TERM TEST			
14	Mon	27/Oct/14	Perfect Competition & Supply	Micro 12	✓	
15	Wed	29/Oct/14				
	Mon	3/Nov/14	<i>Term Test Returned</i>			
16	Wed	5/Nov/14	Monopoly	Micro 13	✓	
17	Fri	7/Nov/14	Price Discrimination	Handout		✓
18	Mon	10/Nov/14				
19	Wed	12/Nov/14	Strategic Interactions	Micro 14	✓	
20	Wed	19/Nov/14	Oligopoly	Micro 14		
21	Mon	24/Nov/14				
22	Wed	26/Nov/14	Externalities	Micro 16	✓	
	Fri	28/Nov/14	No lecture but ...			✓
23	Mon	1/Dec/14				
24	Wed	3/Dec/14	Public Goods	Micro 17	✓	
	Mon	5/Jan/15	<i>Term Test Returned</i>			
25	Wed	7/Jan/15	Uncertainty	Micro 20; Handout	✓	
26	Fri	9/Jan/15	Information	Micro 20; Handout		
27	Mon	12/Jan/15				
28	Wed	14/Jan/15	Factor Markets	Micro 19	✓	
29	Mon	19/Jan/15	Income Inequality	Micro 18		
30	Wed	21/Jan/15				
	Fri	23/Jan/15	No lecture but ...			✓
31	Mon	26/Jan/15	GDP & Unemployment	Macro 6, 7 & 8	✓	
32	Wed	28/Jan/15				
33	Mon	2/Feb/15	CPI & Inflation	Macro 7 & 8	✓	
34	Wed	4/Feb/15				

Continued on next page

	Day	Date	Topic	Reading	Quiz	Homework
35	Mon	9/Feb/15	Income & Expenditure	Macro 11, 11a & 13a	✓	
36	Wed	11/Feb/15				
	Fri	13/Feb/15	No lecture but ...			✓
37	Mon	23/Feb/15	AS-AD Model	Macro 12	✓	
38	Wed	25/Feb/15				
	Fri	27/Feb/15	TERM TEST			
39	Mon	2/Mar/15	Fiscal Policy	Macro 13	✓	
40	Wed	4/Mar/15	Money and Banking	Macro 14	✓	
	Mon	9/Mar/15	<i>Term Test Returned</i>			
41	Wed	11/Mar/15				
42	Fri	13/Mar/15	Monetary Policy	Macro 15	✓	
43	Mon	16/Mar/15	Banking Crises	Macro 17 & Handout		
44	Wed	18/Mar/15	Exchange Rates	Macro 13	✓	
45	Mon	23/Mar/15				
46	Wed	25/Mar/15	International Trade	Macro 5	✓	
47	Mon	30/Mar/15	Economic Growth	Macro 14; Handout		
48	Wed	1/Apr/15				
	Thu	2/Apr/15	No lecture but ...			✓

4 TEXTBOOK READING GUIDE

Yes indeed, there are a lot of textbook pages! In allocating your scarce resource of time, a good first rule is to focus on things I focus on. That is, topics and ideas I find interesting and important are things I cover in lectures, problem sets and solved problems, and topics and ideas I find interesting and important tend to come to mind when I am writing tests and exams. The following guide might prove helpful as well.

Micro 1 Read whole chapter for comprehension.

Micro 2 Focus on pages 25–37; 40–41.

Micro 2a Math required in course. Review as needed.

Micro 3 Entire chapter is core.

Micro 3a Entire chapter is core.

Micro 4 Entire chapter is core.

Micro 5 Definitely 137–155 (price controls). Students should read 155–163 (quantity controls) for general comprehension, and more in depth if we do cover the topic in lecture.

Micro 6 Entire chapter is core.

Micro 6a Entire chapter is core.

Micro 7 Focus on pages 199–216.

Micro 8 Focus on pages 233–238.

Micro 9 Focus on pages 265–282.

Micro 10 Entire chapter is core.

Micro 11 Entire chapter is core.

Micro 12 Entire chapter is core.

Micro 13 Entire chapter is core.

Micro 14 Entire chapter is core.

Micro 16 Entire chapter is core.

Micro 17 Focus on pages 515–525 (public goods).

Micro 18 Read whole chapter for comprehension.

Micro 19 Entire chapter is core.

Micro 20 Entire chapter is core.

Macro 5 Focus on pages 150–168.

Macro 6 Read whole chapter for comprehension.

Macro 7 For 26/Jan/15, read pages 199–215. For 2/Feb/15, read pages 216–223.

Macro 8 For 26/Jan/15, read pages 231–249. For 2/Feb/15, read pages 249–257.

Macro 9 Read entire chapter for comprehension.

Macro 11 Entire chapter is core.

Macro 12 Entire chapter is core.

Macro 13 Focus on pages 413–427.

Macro 14 Focus on pages 453–483 (except Deposit Switching).

Macro 15 Entire chapter is core.

Macro 17 Read for comprehension.

Macro 19 Entire chapter is core.