

University of Toronto
Department of Economics
ECO100Y L0401: Principles of Economics
Fall/Winter, 2014/2015: BT101

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Office Hours: GE344: Tuesdays, 12:00 – 1:50 PM

TEXTBOOK: *Economics* (14th Canadian Edition)
Christopher Ragan and Richard Lipsey. Toronto: Addison-Wesley, 2013

EVALUTION:

Test 1	Multiple Choice	October 17	10:00 – 11:00 AM	12.5% of Grade
Midterm	Diagram/Calculate/M C	January 20	10:00 AM – Noon	25% of Grade
Test 2	Multiple Choice	March 20	10:00 – 11:00 AM	12.5% of Grade
Final Exam	Diagram/Calculate/M C	Final Exam Period (Dec. 8 - 19)		50% of Grade

The tests cover the material since the previous test/midterm but the midterm covers all of Micro and Comparative Advantage. The final exam covers the whole course. 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 make-up covering the whole course from 10:00 – 11:00 AM on March 27. The final examination is divided into 50 multiple-choice questions, worth 50% of the exam, and analytic/diagrammatic/calculation/explanation questions, worth 50% of the exam. Every student in ECO100Y must answer the multiple-choice questions, which cover core material common to all sections, and must also answer other questions specific to their section.

LECTURES and TUTORIALS

I recommend the textbook (any edition will do) but 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 provide tutorials every week to clarify the problem sets and also hold office hours for individual consultation on problems.

EXAM PROTOCOL

You must use only non-programmable calculators (no other electronic devices) and writing implements (pens, rulers, etc.), begin the exam with everyone else and stop writing when time is up. Any transgression is an academic offense and subject to sanction. You must fill in the scantrons (multiple choice) in pencil. I prefer that you write the written part of the midterm in pencil but this can be awkward; however, I will only review marks on exams in pen.

REMARKING MIDTERMS

We will hand the tests/midterms back one week after the exam. I will post the marking scheme to the exam on Blackboard at that point. Please go through the answers carefully to see if the TAs (or I) made any mistake in marking since I will only accept requests for remarking during my office hours and the class breaks during the following week (i.e., second week after

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the exam) but only if you have consulted my marking scheme. It is very important to understand your mistakes since the final exam covers much of this material again

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LECTURE AND READING SCHEDULE

September	9	Introduction Basic Definitions: Chapter 2 and Appendix Chapter 1
	12	Production Possibilities Curves. Ch.1, particularly 4-9 Problem Set: Production Possibilities
September	16	Demand: Ch. 3, 55-64 Shifts in Demand
	19	Supply, 64-68 Problem Set: Demand and Supply
September	23	Equilibrium Price and Quantity. Ch. 3, 68-77 Government Price Controls. Ch. 5, 98-113
	26	Government Price Controls: Ch.14: 346-348 Problem Set: Market Equilibrium and Price Controls
September	30	Elasticity Ch. 4, 81-90 Elasticity: Ch. 4, 95-98
	3	Elasticity and Tax: Ch. 4, 92-95 Problem Set: Elasticity and Per Unit Taxes
October	7	Consumer Choice: Budget Lines. Ch. 6 Appendix, 143-44 Consumer Choice: Indifference Curves. Ch. 6 Appendix, 145-47
.	10	Consumer Equilibrium and Derivation of Demand Ch. 6 Appendix, 148-50 Problem Set: Consumer Choice
October	14	The Firm and Short-run Product. Ch. 7, 153-66 Labour Demand
	17	MULTIPLE CHOICE TEST #1: 10:00 - 11:00 AM Problem Set: Derivation of Demand and Income/Substitution Effects
October	21	Short-run Cost. Ch. 7, 166-170 Short-run Cost. Ch. 7, 170-173
	24	Short-run Competitive Equilibrium: Ch. 9, 200-214 Problem Set: Short-run Cost
October	28	Short-run Competitive Equilibrium: Ch. 9, 200-214 Changes in Short-run Competitive Equilibrium: Ch. 9
	31	Changes in Short-run Competitive Equilibrium: Ch. 9 Problem Set: Short-run Competitive Equilibrium
November	4	Long-run Cost. Ch. 8, 177-185 Competitive Long-Run Equilibrium. Ch. 9, 215-220
	7	Changes in Competitive Long-Run Equilibrium. Ch. 9, 215-220 Problem Set: Long-run Equilibrium
November	11	Monopoly: Marginal Revenue and Profit Maximization. Ch. 10, 227-230
	14	No Class Sample Exams
November	21	Natural Monopolies and Cartels: Ch. 10, 237-241 Problem Set: Monopoly
November	25	Economic Efficiency. Ch.5: 113-120 Efficiency: Competition versus Monopoly. Ch. 12: 281-296 Externalities. Ch. 16, 391-397; Ch. 17, 418-423; Ch. 18: 454-457 Problem Set: Efficiency
	28	Externalities. Ch. 16, 391-397; Ch. 17, 418-423; Ch. 18: 454-457

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January	6	Gains from Trade. Ch. 34: 875-876 Comparative Advantage. Ch. 33, 843-855
	9	Comparative Advantage (continued). Ch. 33, 843-855 Problem Set: Comparative Advantage
		MACROECONOMICS
January	13	Business Cycles. Ch. 19, 475-484 Unemployment. Ch. 31
	16	Price Indices and Inflation. Ch. 19, 484-493; Ch. 20: 509-511
January	20	MIDTERM EXAM: 2:10 – 4:00 PM (Micro plus Comparative Advantage)
	23	Price Indices and Inflation. Ch. 19, 484-493; Ch. 20: 509-511 Problem Set: Price Indices and Unemployment
January	27	Gross Domestic Product (GDP). Ch. 20, 498-499 National Accounts: Expenditure. Ch. 20, 500-508
	30	National Accounts: Income. Ch. 20, 510-513 Problem Set: National Accounts
February	3	Aggregate Expenditure (AE): Consumption (C). Ch. 21, 518-527 AE: C + I (Investment) and Y (GDP) Equilibrium. Ch. 21, 527-542
	6	Equilibrium: $C + I + G + X - IM = Y$ Ch. 22. 547-562; Appendix Problem Set: Consumption/Investment
February	10	Equilibrium: $AE = Y$ & Multipliers. Ch. 22. 547-562; Appendix Government Deficits. Ch. 32: 819-825
	13	Money and Banking. Ch. 27, 672-679 Problem Set: MacroModel
February	24	Money Supply. Ch. 27, 679-695 Money Supply: Bank of Canada. Ch. 27, 679-695
	27	Money Demand. Ch. 15: 360-364; Ch. 28: 701-710 Problem Set: Money Supply
March	3	Equilibrium Money and Interest Rate. Ch. 28, 710-714
	6	Bank of Canada and Monetary Policy. Ch. 29, 729-744 Marginal Efficiency of Investment Problem Set: Money Demand/Supply and Equilibrium
March	10	Money and GDP Equilibrium. Ch. 15: 364-368 Monetary and Fiscal Policy: Crowding Out
	13	Aggregate Demand. Ch. 23, 570-575 Problem Set: Money and GDP Equilibrium
March	17	Aggregate Supply and Short-run Equilibrium. Ch. 23, 575-582 Aggregate Demand Shocks in the Short-run. Ch. 23, 582-586 Problem Set: Aggregate Demand/Supply in the Short-run
	20	MULTIPLE CHOICE TEST #2: 10:00 - 11:00 AM
March	24	Long-run Aggregate Demand/Supply. Ch. 24; Ch. 28: 717-722; Ch. 30: 764-69
	27	Aggregate Demand and Aggregate Supply Shocks. Ch. 23, 582-586 Flexible Exchange Rates. Ch. 35, 893-904 Problem Set: Aggregate Demand/Supply in the Long-run
March	31	Fixed Exchange Rates and Monetary Policy; Ch. 35, 919-924 Problem Set: Balance of Payments and Exchange Rates