

University of Toronto: Department of Economics

ECO100Y L0201: Principles of Economics

Summer, 2015: TWR 2-4PM MP203

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Office Hours: TR 12:10-12:40PM and 5:20 – 6:00PM in WB116

**TEXTBOOK:** *Economics* (14<sup>th</sup> Canadian Edition, 2013), Christopher Ragan and R. Lipsey.

**EVALUATION: TESTS AND THE MIDTERM ARE IN EX200**

**Test 1** Multiple Choice **June 5** (Friday) 10:00 – 11:00 AM 12.5% of Grade

**Midterm** Diagram/Calculation **July 10** (Friday) 10:00AM – Noon 25% of Grade

**Test 2** Multiple Choice **July 31** (Friday) 10:00 – 11:00 AM 12.5% of Grade

**Final Exam** Final Exam Period (**Aug 11-17**) 50% of Grade

Tests cover material since the previous test/midterm but the Midterm covers Micro from the beginning of the course and the final exam covers the whole course. Students who miss any exam must email me a scanned copy of a medical/funeral document within one week of the exam to write a make-up on the whole course from **10–11:30AM on August 7 in BA2165**.

The final examination is divided into 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 NOTES/PROBLEM SETS/SAMPLE EXAMS**

I will sell a package of Lecture Notes, Problem Sets, and Practice Exams 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.

**TUTORIALS/OFFICE HOURS (TAs):**

Teaching Assistants provide tutorials every week to clarify the problem sets and also hold office hours for individual consultation on problems.

Tutorials: T/W/R: 12–1PM, 1 – 2PM, 4 –5PM, 5 – 6PM and F: 10AM-2PM

**LECTURE AND READING SCHEDULE**

May	12	Introduction and Basic Definitions: Chapter 2 and Appendix Chapter 1
May	13	Production Possibilities Curves. Ch.1, particularly 4-9
		Problem Set: Production Possibilities
May	14	Demand: Ch. 3, 55-64; Supply, 64-68
		Problem Set: Demand and Supply
May	19	Equilibrium Price and Quantity. Ch. 3, 68-77
May	20	Government Price Controls. Ch. 5, 98-113 ; Ch.14: 346-348
		Problem Set: Market Equilibrium and Price Controls
May	21	Elasticity Ch. 4, 81-90, 95-98
May	26	Elasticities and Tax: Ch. 4, 92-95
		Problem Set: Elasticity and Per Unit Taxes
May	27	Consumer Choice: Budget Lines & Indifference Curves. Ch. 6 Appendix, 143-4
		Problem Set: Consumer Choice
	28	Consumer Equilibrium, Derivation of Demand. Ch. 6 Appendix, 148-50
		Problem Set: Derivation of Demand
June	2	The Firm and Short-run Product. Ch. 7, 153-66
	3	Short-run Cost. Ch. 7, 166-173
		Problem Set: Short-run Cost
June	4	Short-run Competitive Equilibrium: Ch. 9, 200-214
		Problem Set: Short-run Equilibrium

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<b>June</b>	<b>5</b>	<b>Test #1: 10:00AM – 11:00AM in EX200</b>
June.	9	Long-run Cost. Ch. 8, 177-185
	10	Competitive Long-Run Equilibrium. Ch. 9, 215-220
		Problem Set: Long-run Equilibrium
June	11	Monopoly: Marginal Revenue and Profit Maximization. Ch. 10, 227-230
		Problem Set: Monopoly
June	16	Monopoly Equilibrium. Ch. 10, 230-34
June	17	Natural Monopolies and Cartels: Ch. 10, 237-241
		Problem Set: Monopoly
June	18	Economic Efficiency. Ch.5: 113-120, Ch. 12: 281-296
		Problem Set: Efficiency
June	30	Externalities. Ch. 16, 391-397; Ch. 17, 418-423; Ch. 18: 454-457
July	2	Gains from Trade, Ch. 34: 846-858; Comparative Advantage, Ch. 33, 823-839
		Problem Set: Comparative Advantage
		<b>MACROECONOMICS</b>
July	7	Business Cycles and Unemployment. Ch. 19, 473-483, Ch. 31, 775-796
	8	Price Indices and Inflation. Ch. 19, 484-493; Ch. 20: 509-511
		Problem Set: Price Indices and Unemployment
July	9	Gross Domestic Product (GDP) and National Accounts. Ch. 20, 497-505
		National Accounts: Expenditure and Income. Ch. 20, 505-515
		Problem Set: National Accounts
<b>July</b>	<b>10</b>	<b>MIDTERM EXAM 10:00AM – 12:00 Noon in EX200</b>
July	14	Aggregate Expenditure (AE): Consumption (C). Ch. 21, 518-527
		AE: C + I (Investment) and Equilibrium. Ch. 21, 527-541
		Problem Set: Consumption/Investment
July	15	Equilibrium: $C + I + G + X - IM = Y$ & Multipliers. Ch. 22. 545-559; Appendix
		Problem Set: MacroModel
July	16	Government Deficits. Ch. 32: 801-809
July	21	Money and Banking. Ch. 27, 664-671
		Money Supply. Ch. 27, 678-685
		Problem Set: Money Supply
July	22	Money Demand. Ch. 15: 361-367; Ch. 28: 690-699
	23	Equilibrium Money and Interest Rate. Ch. 28, 700-703
		Problem Set: Money Demand/Supply and Equilibrium
July	28	Bank of Canada and Monetary Policy. Ch. 29, 719-733
	29	Money and GDP Equilibrium. Ch. 15: 367-371
		Problem Set: Money and GDP Equilibrium
July	30	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
<b>July</b>	<b>31</b>	<b>TEST 2: 10:00AM – 11:00AM in EX200</b>
August	4	Long-run Aggregate Demand/Supply. Ch. 24; Ch. 28: 707-714; Ch. 30: 756-61
		Problem Set: Aggregate Demand/Supply in the Long-run
August	5	Balance of Payments and Flexible Exchange Rates. Ch. 35, 873-878
	6	Fixed Exchange Rates and Monetary Policy; Ch. 35, 878-889
		Problem Set: Balance of Payments and Exchange Rates
<b>August</b>	<b>7</b>	<b>Make-up Exam (for all missed Exams): 10:00 – 11:30AM</b>