

**DEPARTMENT OF ECONOMICS  
UNIVERSITY OF TORONTO**

**ECO100Y1Y – L0301  
INTRODUCTORY ECONOMICS  
2015-2016  
(This version: August 31, 2015)**

**Location:** BT101, located in Isabel Bader Theatre, 93 Charles St. West, M5S 1K9.

**Time:** Mondays, Wednesdays and some Fridays, 13:10-14:00.

**Instructor:** Professor Paola Salardi

Room: 150 St. George St. (Max Gluskin House), Room #330

Email: [paola.salardi@utoronto.ca](mailto:paola.salardi@utoronto.ca)

Office hours: Wednesday 16:00-17:00 (open)

Wednesday 17:00-18:00 (by appointment only, sign up at  
<https://calendly.com/paola-salardi/econ-office-hours>)

**Teaching Assistants:** Robert Graham Beattie, Yiran Hao, Hong Jia Hu, Jason Phillip Ladas, Frank Jacobus Jacoba Leenders, Nathaniel Reilly.

Office location and office hours will be announced on Blackboard during the first week of the course.

**Goals of the Course:** Welcome to the Introductory Economics course! This class will introduce you to the principles of microeconomics and macroeconomics, both intuitively and through an introduction to core economic models. The central goal is to introduce you to economists' way of thinking about economic issues and challenges. By understanding the implications and limits of the core models introduced in the class, you will then be able to apply them to understanding current situations and better appreciate the implications of individuals', firms' and governments' decisions and actions. The course is divided into two main components. During the first part of the course we will study principles of microeconomics, thus focusing on how households and firms make decisions and how they interact in markets. During the second part of the course we will be focusing on the principles of macroeconomics, which looks at economy-wide phenomena, including inflation, unemployment and economic growth - issues that matters at the country level.

*Looking forward to starting this course with you!*

*Paola Salardi*

## 1. Teaching materials

**Textbooks:** We will rely primarily on the following textbooks, which you are expected to purchase – or at least to have consistent access to:

- Mankiw, Kneebone, and McKenzie (2014), *Principles of Microeconomics*, Nelson, 6<sup>th</sup> Canadian Edition (M, hereafter).
- Ragan (2014), *Macroeconomics*, Pearson, 14<sup>th</sup> Canadian Edition (R, hereafter).

You might also want to consider the Study Guides for both textbooks:

- Mankiw, Kneebone, and McKenzie (2014), *Study Guide for Principles of Microeconomics*, Nelson, 6<sup>th</sup> Canadian Edition.
- Ragan (2014), *Study Guide for Macroeconomics*, Pearson, 14<sup>th</sup> Canadian Edition.

**Website:** U of T's learning portal (a.k.a. Blackboard): <http://portal.utoronto.ca>

Announcements, lecture slides, tutorial assignments, additional exercises, solutions to mid-term and end-of-term tests and grades will be posted on the Blackboard.

## 2. Relevant dates

Monday, September 14<sup>th</sup>: First Day of Class for the Fall term

Monday, October 12<sup>th</sup>: Thanksgiving holiday (no class)

**Friday, November 6<sup>th</sup> 12:30-14:30: Mid-term test (Test 1)**

Monday, November 9<sup>th</sup>: Fall break (no class)

Wednesday, December 9<sup>th</sup>: Last Day of Class for the Fall term

**December (11-22, TBC): End of Term test (Test 2)**

Monday, January 11<sup>th</sup>: First Day of Class for the Spring term

Monday, February 15<sup>th</sup>: Family day (no class)

Wednesday, February 17<sup>th</sup> and Friday, February 19<sup>th</sup>: Reading week (no class)

**Friday, February 26<sup>th</sup> 13:00-15:00: Mid-term test (Test 3)**

Friday, March 25<sup>th</sup>: Good Friday (no class)

Friday, April 8<sup>th</sup>: Last Day of Class for the Spring term

**April (12-29, TBC): Final Exam**

## 3. Course Organization

The Course is organized in lectures and tutorials. The Monday, Wednesday and Friday slots are for lectures, while tutorial schedules and locations will be announced at the beginning of the term on Blackboard. Note that we are not going to have lectures every Friday. Some Fridays will be used for lectures, some for make-up classes, and some will be rest days. All of this is clearly laid out in the detailed timetable for lectures in section 7 of this document. However, variation from the detailed timetable will sometimes be announced during lectures and on Blackboard.

3.1. Lectures: The Instructor will be teaching each lecture. Lecture slides will be provided via Blackboard **prior to** the date of the lecture. I recommend that you read the lecture slides and the

related textbook chapters before class: in my experience this strategy puts you in a position to better understand the lecture and to grasp key concepts much more easily. It is important to attend all of the lectures, as they are interconnected. Each class we will cover part of a broader topic, with each topic normally extending over two or three classes (see section 6, the course outline, for a full list of the topics that will be covered).

3.2. Tutorials: Lectures are supplemented by tutorials, which will focus on key topics each week. These tutorials are designed to help you to clarify your understanding of core material, to engage with more complex concepts presented during the lectures, and to provide support in solving the types of exercises that you will encounter in the three tests and the final exam. Tutorials are scheduled every other week - you will thus have six tutorials over the Fall term and six tutorials over the Spring term.

Each student must sign up for one of the following tutorial times during the first week of classes:

- Wednesdays (2 slots): 16:00-17:00 and 17:00-18:00;
- Thursdays (3 slots): 12:00-13:00, 16:00-17:00, and 17:00-18:00.

Instructions about how to sign up for a tutorial slot will be provided during the first class, and posted on Blackboard. Once you are assigned to a slot, you will be assigned to a TA, and the locations for the tutorials will be posted on Blackboard.

Tutorials are very important to the overall class experience: they will allow you to enjoy a smaller class size and will be the opportunity to engage directly with your TA to ask questions. There will be two elements to each tutorial. First, each tutorial will be organized around a problem set. The problem set will be posted on Blackboard at the beginning of the week of the tutorial, in order to allow enough time for you to go through the exercises prior the tutorial. During the tutorial you will then go through the problem set with the TA, and dig more deeply into the material. In addition, there will be a small, graded, “In-Tutorial Exercise” during each tutorial (for more information on the “In-Tutorial Exercises”, see section 4).

3.3. Student Support: Students have access to a wide range of support. The first type of aid is provided by office hours, both held by the instructor and by the TAs. The Instructor’s office hours are listed at the beginning of this syllabus, while the hours and locations of office hours held by the TAs for this section of ECO100Y will be posted on Blackboard at the beginning of the course.

The Economics Department also offers the Economics Study Centre. Students may use it for additional help. The Economics Study Centre is always staffed with tutors, who are third and fourth year undergraduate students who act as peer mentors to Economics and Commerce students. The hours of the Economic Study Centre will be posted on this website:

<https://www.economics.utoronto.ca/index.php/index/undergraduate/load/studyCentre>.

An additional tool for learning is provided by Piazza, which can be reached at this link: <https://piazza.com/utoronto.ca>. Piazza is an electronic discussion forum where students can interact with each other by asking and responding to questions related to the course materials – it is an important forum to interact with, and learn from, your student colleagues. The instructor and the TAs will regularly monitor all of the discussions. It is important to post questions that are relevant, and specific enough to be answered in electronic forum. Do not expect your colleagues to provide long discussion - keep questions and answers clear and concise.

#### 4. Student Evaluation

	<b>Date</b>	<b>Length</b>	<b>Weight</b>
Warm-up Exercises	Beginning of the Term		2%
In-Tutorial Exercises	All Tutorials		6%
Test 1: Fall Mid-term Test	Friday, 06/11/2015, 12:30-14:30	1 hour	14%
Test 2: End-of-Term Test	December Exam Period	1 hour	14%
Test 3: Spring Mid-term Test	Friday, 26/02/2016, 13:00-15:00	1 hour	14%
Final Exam	Final Exam Period	3 hours	50%

4.1. Warm-up Exercises: The Warm-up Exercise is an exercise to be completed online **during the first week of class**. This exercise involves answering questions about personality traits and goals and should take about 45 to 90 minutes. The goal of the exercise is to learn more about you, and thus about how to help promote academic and personal success –you will not be tested on the ECO100Y material during this exercise. Please go to the following website to complete the exercise: <http://warmup.utoronto.ca/>.

Students who complete the Warm-up exercise at the beginning of the semester will receive the 2% toward their final grade in the course. **Everyone should complete this exercise.**

#### 4.2. In-Tutorial Exercises:

During each tutorial, you will be given a short answer question, but your grade will not depend on getting the answer correct. You will be given a grade of 0.5 as long as you make an effort, and show a basic engagement with the material, and a 0 if you do not attend or show no engagement or effort. The goal is to encourage you to participate, and to challenge yourself, and these exercises will count for 6% of your final mark (0.5% for each tutorial).

4.3. Tests and final exam: There will be three tests and one final exam. They will all consist of a combination of multiple choice and short answer questions. You will have the chance to get familiar with both question formats during the tutorials throughout the course, as they are designed specifically to help prepare you for the tests and the final exam. The three tests will each be worth 14% of the total mark and the final exam will be worth 50% of your final mark. While the three tests are entirely designed by your instructor on the basis of what we have covered in class and during tutorials, the final exam consists of a part covering core material common to all ECO100 classes and a part designed by your instructor and thus specific to each section. The common component of the final exam is used to benchmark grades across all sections of ECO100Y. It is important to note that the three tests are not cumulative (that is, they only cover the material from the preceding period of the course), while the final exam is cumulative and thus covers all of the material taught throughout the course.

4.4.1. Missing a test or exam: Students who miss **any of the tests** for an approved medical condition, or any other approved cause, will be authorized to write a common make-up test at 13:00 on Friday, April 8, 2016. The make-up test is cumulative, meaning that it will cover the entire content of the course. Students who do not qualify for the make-up test will receive a grade equal to zero for the test or exam that they missed without an approved cause. Students

who miss the final exam must send a petition to the Faculty of Arts and Science for permission to write a deferred examination in the summer.

**4.4.2. Medical Certificate:** Medical certificates must be submitted **within one week of the date of the test**, except for the end-of-term test scheduled in December for which you will be required to submit the medical certificate during the first week of the Spring term. Medical certificates need to adhere to the following characteristics in order to be acceptable:

- Only the official Verification of Student Illness or Injury by the University of Toronto will be accepted, fully completed by a Physician, Surgeon, Nurse Practitioner, Dentist, or Registered Psychologist. You can find the certificate to be completed at this link: <http://www.illnessverification.utoronto.ca/getattachment/index/Verification-of-Illness-or-Injury-form-Jan-22-2013.pdf.aspx>
- The practitioner must have assessed you the day of the missed test and must initial as Severe or Serious.
- The certificate needs to be submitted to the instructor in person, in class or during normal office hours. Suspicious certificates will be forwarded to the Office of Student Academic Integrity (OSAI) for further investigation.

**4.4.3. Re-marking:** Grading will be carried out by the TAs, under the supervision of the instructor. If you feel that your test or final exam has been graded incorrectly you can bring it to the attention of your TA, who will ask the instructor to re-grade the test/exam. If you request that your exam be re-graded the *entire* exam will be re-graded, and that re-grading could result in either an increase or decrease in your grade. In the specific case where you think that your final grade reflects a simple error in adding up your total score you can bring it to the attention of your TA during office hours and he/she can correct the error. The request for remarking must be made in writing and submitted to the instructor along with the test (requests by email will not be accepted) and they need to explain clearly which question is disputed and why. Please note the appeal must be requested **within 2 weeks** of the date on which tests were handed back (not when you picked up your test).

**4.4.4. Final Grades in ECO100Y:** Here is an official statement about final grades that assures all of you that they will be fairly awarded across sections:

- Historically, the average grade across all sections of Economics 100 is C+;
- The average grade in each section will vary to reflect the relative performance of students in that section on the common part of the final examination;
- The average grade for a section whose students perform above average on the common component of the final examination will be higher than the overall average grade for ECO100Y, and conversely.
- The average grade on each term test will, inevitably, vary across sections. However, it merits emphasis that students in a section where the average grade on a term test is low are NOT disadvantaged on this account. The average FINAL grade awarded in each section will reflect the performance of that student's section on the common part of the final examination.

### **5. Other important information**

5.1. Course accessibility: Students with diverse learning styles and needs are always welcome in this course. In particular, if you have a disability or health consideration, which may require accommodation, please feel free to approach me in person and/or the Accessibility Service (<http://accessibility.utoronto.ca/> or call 416-978-8060).

5.2. Academic integrity: Academic integrity is an important priority here at the University of Toronto. Our academic community honors the values of honesty, trust, respect, fairness and responsibility in order to protect you and your degree. Read Section B of the University of Toronto's Code of Behavior on Academic Matters, as all students are expected to know and to respect this Code:

<http://www.governingcouncil.utoronto.ca/Assets/Governing+Council+Digital+Assets/Policies/PDF/ppjun011995.pdf>.

5.3. Email policy: Email is NOT an appropriate forum for asking questions. If you want to discuss the course material you should meet with your instructor, or your TA, in person during office hours. If you have any personal matter or concern please similarly come to speak to me in person during office hours. On the other hand, if there are any issues with the course that you think I should know about, such as mistakes in a specific announcement, missing information about an approaching tutorial or solutions that have not been posted, feel free to email me – I would be most grateful, though I may not always be able to reply.

### 6. Course Outline

<b>FIRST PART</b>	<b>MICROECONOMICS</b>	<b>READING</b>
Topic # 1	Introduction to Economics	M: chapters 1, 2
Topic # 2	Supply and Demand	M: chapter 4
Topic # 3	Elasticity	M: chapter 5
Topic # 4	The Role of Government Policies	M: chapter 6
Topic # 5	The Efficiency of the Market	M: chapter 7
Topic # 6	The Consumer Theory	M: chapter 21
Topic # 7	The Cost of Taxation	M: chapter 8
Topic # 8	The Costs of Production	M: chapter 13
Topic # 9	Perfect Competition	M: chapter 14
Topic # 10	Monopoly	M: chapter 15
Topic # 11	Monopolistic Competition	M: chapter 16
Topic # 12	Oligopoly	M: chapter 17
Topic # 13	Externalities and Public Goods	M: chapters 10-11
Topic # 14	International Trade	M: chapters 3, 9
<b>SECOND PART</b>	<b>MACROECONOMICS</b>	
Topic # 15	The Measurement of National Income	R: chapters 19, 20
Topic # 16	Aggregate Demand and Multiplier	R: chapters 21, 22
Topic # 17	Aggregate Demand and Aggregate Supply	R: chapters 23, 24
Topic # 18	Money, Banking and Monetary Policy	R: chapters 27, 28, 29
Topic # 19	Trade Policy and Exchange Rates	R: chapters 33, 34, 35
Topic # 20	Long-run Economic Growth	R: chapter 26
Topic # 21	Macroeconomic Problems	R: chapters 30, 31, 32

**7. Detailed Timetable with Deadlines**

<b>FIRST TERM</b>			
<b>Week</b>	<b>Date</b>	<b>Topic</b>	
1	Mon 14/09/2015	Introduction to Economics	Lecture #1
	Wed 16/09/2015	Supply and Demand (I)	Lecture #2
	Fri 18/09/2015	No class	-
2	Mon 21/09/2015	Supply and Demand (II)	Lecture #3
	Wed 23/09/2015	Supply and Demand (III)	Lecture #4
	Wed 23/09/2015	TUTORIALS	Tutorial #1 (slots 1, 2)
	Thu 24/09/2015	TUTORIALS	Tutorial #1 (slots 3, 4, 5)
	Fri 25/09/2015	No class	-
	Mon 28/09/2015	Elasticity (I)	Lecture #5
3	Wed 30/09/2015	Elasticity (II)	Lecture #6
	Fri 02/10/2015	No class	-
	Mon 05/10/2015	The Role of Government Policies (I)	Lecture #7
4	Wed 07/10/2015	The Role of Government Policies (II)	Lecture #8
	Wed 07/10/2015	TUTORIALS	Tutorial #2 (slots 1, 2)
	Thu 08/10/2015	TUTORIALS	Tutorial #2 (slots 3, 4, 5)
	Fri 09/10/2015	No class	-
	Mon 12/10/2015	<b>Thanksgiving holiday (no class)</b>	-
	Wed 14/10/2015	The Efficiency of the Market (I)	Lecture #9
5	Fri 16/10/2015	No class	-
	Mon 19/10/2015	The Efficiency of the Market (II)	Lecture #10
	Wed 21/10/2015	The Efficiency of the Market (III)	Lecture #11
	Wed 21/10/2015	TUTORIALS	Tutorial #3 (slots 1, 2)
	Thu 22/10/2015	TUTORIALS	Tutorial #3 (slots 3, 4, 5)
	Fri 23/10/2015	No class	-
7	Mon 26/10/2015	The Consumer Theory (I)	Lecture #12
	Wed 28/10/2015	The Consumer Theory (II)	Lecture #13
	Fri 30/10/2015	No class	-
8	Mon 02/11/2015	The Cost of Taxation (I)	Lecture #14
	Wed 04/11/2015	The Cost of Taxation (II)	Lecture #15
	Wed 04/11/2015	TUTORIALS	Tutorial #4 (slots 1, 2)
	Thu 05/11/2015	TUTORIALS	Tutorial #4 (slots 3, 4, 5)
	<b>Fri 06/11/2015</b>	<b>MID-TERM TEST (Test 1)</b>	-
9	Mon 09/11/2015	<b>Fall break (no class)</b>	-
	Wed 11/11/2015	The Costs of Production (I)	Lecture #16
	Fri 13/11/2015	The Costs of Production (II)	Lecture #17
10	Mon 16/11/2015	Perfect Competition (I)	Lecture #18
	Wed 18/11/2015	Perfect Competition (II)	Lecture #19
	Wed 18/11/2015	TUTORIALS	Tutorial #5 (slots 1, 2)
	Thu 19/11/2015	TUTORIALS	Tutorial #5 (slots 3, 4, 5)
	Fri 20/11/2015	No class	-



11	Mon 23/11/2015	Monopoly (I)	Lecture #20
	Wed 25/11/2015	Monopoly (II)	Lecture #21
	Fri 27/11/2015	No class	-
12	Mon 30/11/2015	Monopolistic Competition (I)	Lecture #22
	Wed 02/12/2015	Monopolistic Competition (II)	Lecture #23
	Wed 02/12/2015	TUTORIALS	Tutorial #6 (slots 1, 2)
	Thu 03/12/2015	TUTORIALS	Tutorial #6 (slots 3, 4, 5)
	Fri 04/12/2015	No class	-
13	Mon 07/12/2015	Oligopoly (I)	Lecture #24
	Wed 09/12/2015	Oligopoly (II)	Lecture #25
	<b>December (TBC)</b>	<b>END-OF-TERM TEST (Test 2)</b>	

<b>SECOND TERM</b>			
14	Mon 11/01/2016	Externalities and Public Goods (I)	Lecture #1
	Wed 13/01/2016	Externalities and Public Goods (II)	Lecture #2
	Fri 15/01/2016	No class	-
15	Mon 18/01/2016	International Trade (I)	Lecture #3
	Wed 20/01/2016	International Trade (II)	Lecture #4
	Wed 20/01/2016	TUTORIALS	Tutorial #7 (slots 1, 2)
	Thu 21/01/2016	TUTORIALS	Tutorial #7 (slots 3, 4, 5)
	Fri 22/01/2016	No class	-
16	Mon 25/01/2016	The Measurement of National Income (I)	Lecture #5
	Wed 27/01/2016	The Measurement of National Income (II)	Lecture #6
	Fri 29/01/2016	No class	-
17	Mon 01/02/2016	Aggregate Demand and Multiplier (I)	Lecture #7
	Wed 03/02/2016	Aggregate Demand and Multiplier (II)	Lecture #8
	Wed 03/02/2016	TUTORIALS	Tutorial #8 (slots 1, 2)
	Thu 04/02/2016	TUTORIALS	Tutorial #8 (slots 3, 4, 5)
	Fri 05/02/2016	No class	-
18	Mon 08/02/2016	AD-AS (I)	Lecture #9
	Wed 10/02/2016	AD-AS (II)	Lecture #10
	Fri 12/02/2016	No class	-
-	Mon 15/02/2016	<b>Family Day (no class)</b>	-
	Wed 17/02/2016	<b>Reading week (no class)</b>	-
	Fri 19/02/2016	<b>Reading week (no class)</b>	-
19	Mon 22/02/2016	AD-AS (III)	Lecture #11
	Wed 24/02/2016	AD-AS (IV)	Lecture #12
	Wed 24/02/2016	TUTORIALS	Tutorial #9 (slots 1, 2)
	Thu 25/02/2016	TUTORIALS	Tutorial #9 (slots 3, 4, 5)
	<b>Fri 26/02/2016</b>	<b>MID-TERM TEST (Test 3)</b>	-
20	Mon 29/02/2016	Money, Banking and Monetary Policy (I)	Lecture #13
	Wed 02/03/2016	Money, Banking and Monetary Policy (II)	Lecture #14
	Fri 04/03/2016	No class	-
21	Mon 07/03/2016	Money, Banking and Monetary Policy (III)	Lecture #15

	Wed 09/03/2016	Trade Policy and Exchange Rates (I)	Lecture #16
	Wed 09/03/2016	TUTORIALS	Tutorial #10 (slots 1, 2)
	Thu 10/03/2016	TUTORIALS	Tutorial #10 (slots 3, 4, 5)
	Fri 11/03/2016	No class	-
22	Mon 14/03/2016	Trade Policy and Exchange Rates (II)	Lecture #17
	Wed 16/03/2016	Trade Policy and Exchange Rates (III)	Lecture #18
	Fri 18/03/2016	No class	-
23	Mon 21/03/2016	Long-run Economic Growth	Lecture #19
	Wed 23/03/2016	Macroeconomic Problems (I)	Lecture #20
	Wed 23/03/2016	TUTORIALS	Tutorial #11 (slots 1, 2)
	Thu 24/03/2016	TUTORIALS	Tutorial #11 (slots 3, 4, 5)
	Fri 25/03/2016	<b>Good Friday (no class)</b>	-
24	Mon 28/03/2016	No class	-
	Wed 30/03/2016	Macroeconomic Problems (II)	Lecture #21
	Fri 01/04/2016	Macroeconomic Problems (III)	Lecture #22
25	Mon 04/04/2016	Final Review (I)	Lecture #23
	Wed 06/04/2016	Final Review (II)	Lecture #24
	Wed 06/04/2016	TUTORIALS	Tutorial #12 (slots 1, 2)
	Thu 07/04/2016	TUTORIALS	Tutorial #12 (slots 3, 4, 5)
	Fri 08/04/2016	<b>Make-up test</b>	-
	<b>April (TBC)</b>	<b>FINAL EXAM</b>	