

ECONOMICS 100 Y: 2015 / 2016
Section L5101/ L2001 (Engineers)
INTRODUCTION TO ECONOMICS

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About the Course

1. This is an introductory course in basic economic principles. You will learn about how the economy operates in the aggregate (macroeconomics) and deal with issues such as unemployment, inflation and exchange rates. We will also study the behaviour of individual "economic agents" and deal with concepts such as supply and demand, competition, and monopoly (microeconomics). The role of government is analyzed throughout.
2. This course is designed to expose you to the facts, theories and models of the discipline of Economics. It is also designed to develop your analytical skills, to help you to think for yourself, and to learn to apply the principles and techniques of Economics to new problems and situations. Tests are challenging, but within the grasp of those who work hard to refine their Economics' reasoning skills.

Grades, Tests, Exam

3. Your **final grade** is the average of your final exam mark and your term mark.
4. Your **term grade** is determined as the weighted average of 4 term tests, totaling 48%, plus 2% allocated to a "Warm-up Exercise" at the beginning of the semester (details below). Three of the term tests (90 minutes in duration) each contribute 13% to your final grade; these are scheduled for **Monday November 16, Monday February 1 and Monday March 21 at 6 P.M.** (NOTE: These dates are subject to change, as announced in class.)

A second test in the Fall semester will be held in the December exam period, with "special contents" to be announced. This test contributes 9% to your final grade.

Here is the breakdown of your total grade:

"Warm-up"	September	2%
Test 1 (T1)	November	13%
Test 2 (T2)	December	9%
Test 3 (T3)	January	13%
Test 4 (T4)	March	13%
Final Exam	April	<u>50%</u>
	TOTAL	100%

The “**Warm-up**” is an online exercise scheduled for the first weeks of the Fall term. (<http://economics.utoronto.ca/warmup>). The exercise involves answering questions about personality traits or goals and should take about 45 to 90 minutes. Its purpose is to learn more about how to help promote academic and personal success – your success! More information to follow soon.

5. **Do your best not to miss a test.** It is in your best interests to sit tests, so you can obtain an assessment of your ability to do ECO problems. However, if this is unavoidable due to illness, family trauma or work commitments, you must provide the appropriate documentation to me within 1 week. Medical notes **must state that you were too ill to write the test.** You should use the U of T Verification of Student Illness or Injury Form found at www.illnessverification.utoronto.ca. The Make-Up Test will occur in April for all students who missed either T1 or T3 or T4, and will cover materials from all three tests. [NOTE: For those who miss T2 in December, there will be a special make-up test – details to be announced. **The make-up test in April is NOT the replacement for this test.**]

Important Note re conflicts with another course: On occasion in past years, students in a Math course have approached me to state that they have a test in that course at the same time as an ECO 100 test. Be aware that ECO 100 tests are scheduled in class time (Monday at 6pm) and the Math test is scheduled out of the regular class time. (This must be true since a student cannot be enrolled in two courses that meet at the same time.) University protocols require that your Math prof provide an alternate time to write that test. Missing an ECO 100 test because of a Math conflict will NOT make you eligible for a Make-Up Test. [Aside: The same is true for an ECO 100 lecture; your Math prof is required to provide an alternate time to write the Math test so you are not obliged to skip an ECO lecture.]

6. **Solutions to tests** will be discussed in tutorials only.

An appeal of a test grade must be typed (on paper, not an email) and provided to me together with a full copy of your test. You must identify which question you believe was marked incorrectly, and provide an explanation of why you think your answer deserves additional marks. The question/answer you point out, plus others, will be reviewed. To use a term that is used in ECO 200, the “Expected Value” of a re-mark request is not necessarily positive!

The appeal must be handed in within two weeks of the date on which graded tests are provided to you.¹ You can give me your appeal document at subsequent lectures or leave it for me at the Reception Desk, Department of Economics, Gluskin House, 150 St. George St. If the latter, notify me by email that you have done so.

¹ The current plan is to provide online access to your graded test.

7. The **final examination** in Exam Week is scheduled for all sections of this course at the same time. (Note: The exam will be during the day.) The exam consist of two parts: one part that is common to all sections (i.e., all students do them) and one part that contains questions only for the L5101/L2001 section.
8. **You must obtain a grade of 67% in ECO 100 to be eligible to take higher-level ECO courses** required for a Major degree.² Based on past experience, your professor can attest that not every student attains that level; indeed, many more than he would like do not make the grade.
9. Students sometimes compare their test results to that of students in other sections of ECO 100, and then look to the average grade in various sections, which may be higher or lower than the average for our section. Some students become concerned about the differences, concluding that they will be disadvantaged.

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 Economics 100, 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.*

² In some ECO and other programs, the requirement is even higher. For instance, to enroll in ECO 206 (Micro) and ECO208 (Macro), courses required for an ECO Specialist degree, a minimum grade of 70% in ECO 100 is required.

Lectures and Tutorials

10. **Lectures** will take place on every Monday during the Fall and Winter semesters (except, of course, for holidays and break periods) in Medical Sciences Auditorium (MS2158). Lectures can be lengthy, as we meet only once per week. It takes considerable discipline to stay focused the entire time (and that applies both to you and to me!).
11. "**Lecture Assignments**" (LAs) will be available on the Blackboard (BB) course website in advance of classes. These are essentially an outline of the lectures. The LAs also provide references to the key pages in the text. You should review the LAs and the associated text readings prior to the lecture. Note that one Lecture Assignment may span more / less than a single class. Note also that the solutions to LAs are provided through the lectures; there are no web postings.

You should bring a copy of the relevant Lecture Assignment(s) to class, (or have it on your laptop), as a guide to the outline of the lecture. Some students take lecture notes directly on the LA document. If you choose to do this, you might want to create more "white space" to provide room for notes. Alternatively, some students take notes separately. You should find a note-taking methodology that works best for you. One of the challenges in lectures is to avoid mere copying without expending any intellectual effort to understand the contents.

12. In addition to the lecture, there will be **tutorials** on Monday afternoons and other days in the week too (to be announced; you get to select which tutorial to attend). Problem sets will be provided in advance, to be taken up during the tutorial session. (Note: Attending tutorials without having attempted the problems in advance is a short-sighted strategy).

There will be Handout Problems in some tutorials that you will do "on the spot". These are available only to those who attend tutorials. Doing these and other problems is essential in learning how to use economic constructs.

13. This year, there is a **break period** on Monday and Tuesday November 9 - 10. There will be no Monday class or tutorials that week. Note that this missed Monday class will be made up in December on Wednesday December 9th.

Sources of Assistance

14. If you are having difficulties, do not delay in seeking assistance. There are a number of sources of both informal and formal help. Ask a fellow student. Form a study group. Go to the **ECO 100 Aid Centre** (location and hours to be announced soon on the BB course website). Post questions on **Piazza** for an online dialogue with fellow students with oversight from one of the Teaching Assistants assigned to this section of the course (information to be announced soon on BB). Try the **Department of Economics Study Centre**, a peer tutoring service; for more information, go to www.economics.utoronto.ca/index.php/index/undergraduate/load/studyCentre If you cannot get satisfaction any of those ways, please see me before or after class, e-mail me, or call me. I always stay after lectures until all questions are answered, so do not hesitate to come forward with your enquiries.

Text, Study Guide and Publisher Website

15. The **text** for this course is Economics, 9th Edition by authors Parkin and Bade.³ There are options for what you acquire: a hard copy of the text or an e-text instead. If you acquire a new text or e-text, you gain access to the publisher's website at www.myeconlab.ca. If you buy a used textbook, you can purchase access to the website separately. The Bookstore will have information on your choices.
16. There is a useful workbook to accompany the text entitled Study Guide, which you are encouraged, but not required, to purchase. The website, *myeconlab*, is essentially your electronic Study Guide.

Course Website

17. There is a **course website** on U of T's Blackboard system. Go to www.portal.utoronto.ca, log in with your UTORID and password, and then click on this course.

The website is where you will find all of the **Lecture Assignments, Tutorial Problem Sets, Web Quizzes** (MC questions), **Sample Past Tests, Announcements**, and other **Course Information**. Click on the appropriate category on the left side of the course home page. I will not be providing any of that to you in hard copy; you are to obtain these from the website.

[**Past Final Examinations** can be found by clicking on the "Old Exams Repository" on the Home Page (called "My Page") on the BB website.]

³ FYI, I did not use this text last year.

Blackboard provides the capacity to send emails to all students. Watch for the occasional message from me. The Webmaster will also email when the website has been updated.

Advice to Students

18. This is not a course in mathematical economics; however, certain basic tools of arithmetic (e.g. addition, subtraction, multiplication, etc.), geometry (e.g. freehand diagrams, computation of slope), and algebra (e.g. solving one equation in one unknown) are used extensively. You must have these **mathematical skills** to succeed. The course website has a sample of math requirements useful for ECO 100; students who are not comfortable with these requirements are strongly advised to do remedial work immediately. See the Appendix to Chapter 1 of the text for some of what will be required.

Note for future reference: If you plan to go on in the study of Economics, you can expect an even higher dose of mathematics ...somewhat higher in ECO 200 and ECO 202 (Micro and Macro) and considerably higher in ECO 206 and ECO 208 (Micro and Macro for those seeking a specialist degree).

19. **Be aware that considerable effort is required to obtain good results in ECO 100, and that minimal effort will not likely lead to a passing grade.**

Here are some further suggestions from previous students:

“Establish a pattern of working hard right from the start.” [Eitan P.]

“You can get the results if you invest in the effort.” [Ashley K.]

“Do not procrastinate – you must not fall behind.” [Ben H.]

“The more you work at it, the more interesting it gets.” [Asuma B.]

“Economics cannot be learned overnight. Cramming before a test or paying for last-minute review sessions is no substitute for working hard all semester long.” (James M.)

Here is an interesting comment from a former ECO 100 student, at the time that he was awarded an Economics Scholarship Award at the end of his second year:

“The more I studied ECO 100, the more I liked it.”

And here is an email I received after the first test a few years ago:

I must say this is new for me, and I'll be honest I grossly underestimated your course.

The first couple lectures me⁴ and my friends noticed it was all the stuff we had just finished doing in High School Eco, thus, some of us started to skip, others like me showed up with my computer and sat in the back on the second floor trolling the internet when I should have been paying attention.

The first test was a wakeup call without a doubt. I took the blow standing up. The same day we got it back I went out got a notebook for the class, and all the other supplies a regular student needs.

Every lecture since this test has not been spent on the second floor trolling the internet, rather on the first floor close to the front, taking down notes with good old hand writing.

One thing, for sure, the 3 hour lectures ... they pass by A LOT faster when you are paying attention and taking notes. [M.L.]

This is a bad news-good news component to the above email. The “bad” of course is that this student did not take the advice in this Course Outline to work hard from the very first class. The “good” is that students can recover from an early setback, but it takes a major change in attitudes and behaviours.

20. There are **entrepreneurs** who offer services to ECO 100 students the week before tests. They typically promise “perfect understanding” through a few hours of intensive study for a fee. *Caveat emptor!*

These entrepreneurs also sell copies of past tests. For your information, you can find samples of past tests (at no cost!) on the course website, with *correct* answers.

Finally, I encourage you to consider the following message taken from a poster sponsored by ASSU (The Arts and Science Student Union):

Having anxiety before a test is normal. Companies that offer paid review sessions know this and prey on your anxiety.

*Free support is available. Make use of your free resources.*⁵

⁴ I have copied the email as it was sent to me. I hope you recognize the grammatical errors in this message. This is the first one.

⁵ As noted above, free resources include Aid Centres, online Piazza, the Department of Economics Study Centre, fellow students and your prof.

21. Academic Integrity

- **Students should also be aware that cheating is subject to severe academic penalties. Consider yourself warned: DO NOT CHEAT! See <http://www.artsci.utoronto.ca/osai/The-rules/what-is-academic-misconduct>**
- Note that the only *electronic device* permitted at tests and the final exam in ECO 100 is a non-programmable, non-graphing calculator.⁶ The Academic Code says that mere possession (not use) of any other device while writing a test or examination is an academic offence; leave these other devices e.g., cell phones, iPads, berries, etc. in your bag at the side of the room. [Recent change in rules: you can leave your cell phone/other valuables under your desk in a resealable plastic bag.]
- *When picking up tests*, it is an academic offence to deliberately take another student's test.⁷
- You must stop writing when time is up for tests and examinations. Not doing so is an academic offence and exposes you to academic sanctions.

Email Protocols

22. Please do not email with a question that you can answer if you just access the BB course website. My role is not to be your personal search engine! Examples of these kinds of questions I have received in the past are:

- Are there tutorials this week?
- Where do I write the test?
- What materials will be covered on the test?
- Which problem set will be covered in tutorials this week?

There are some professors who will not answer email questions like those, as the student has a way to obtain the information without imposing on the prof to provide it directly. I will be following a “*one strike and you are out policy*”. I will answer a first request, with a reminder that the information can be found on the website. A second question of this type from the same student will not be answered!

Needless to say, it is quite proper to email me if an item has not been posted on the website in a timely way e.g., a problem set for an upcoming tutorial, information about an upcoming test, and so on. Indeed, I rely on you to do so, and I will correct any oversights as soon as possible.

⁶ Be sure your calculator meets the standard.

⁷ May not be applicable. The plan for 15/16 is online access to your marked test.

Summary of Important Dates		
Monday September 14	First Lecture	In MS2158
Monday October 12	Thanksgiving	No Lecture
Monday November 9	Fall Break	No Lecture
Monday November 16	Test #1	
Wednesday December 9	“Make Up Monday” Lecture	
Thurs December 10	Study Break	
Dec 11 – Dec 22	Test #2 (in Fall exam/test period)	Date TBD
December following T2	Make Up for Test #2	Date TBD
Monday January 11	First Lecture of 2016	
Monday February 1	Test # 3	
Week of Feb 15	Reading Week	No Lecture
Monday March 21	Test #4	
Week of April 4	Make-up Test for T1, T3, T4	Date TBD
Thursday April 8	Last Day of F/W Session	
Monday April 11	Study Break	
April 12 - April 29	ECO 100 Final Examination	Date TBD

**A quote from a previous student,
after receiving a stellar grade on Test#1:**

"The more you work at it, the more you understand it.

The more you understand it, the more you enjoy it."

She might have added this:

"The more you enjoy it, the better your grade will be!"

HOW TO FAIL ECO 100

A Dozen Helpful Hints!

1. Do not take seriously any of the messages in this course outline.
2. Skip lectures.
3. Do practice problems rarely, if at all.
4. Avoid tutorials and other prep sessions provided by your prof.
5. Do not get help via the free resources when you need it.
6. Use the textbook as a doorstop only.⁸
7. Cram for tests and the exam.
8. Pay entrepreneurs to save you at the last minute.
9. Do not review your marked test.
10. Find an excuse not to work hard.⁹
11. Rarely consider how ECO 100 concepts apply to your daily life.¹⁰
12. Take a full-time course load and add to that many hours of paid employment.

**In sum,
if you do not challenge yourself to do the best you can do,
your results are not likely to be the best they can be!**

⁸ Electronic equivalent: pay for the eTextbook but never access it.

⁹ Dislike of the prof, the lecture room, the evening lecture time, the lecture duration, the size of the class, or some other feature of the course.

¹⁰ Or do not apply!

ECO 100Y: 2015 / 2016
INTRODUCTION TO ECONOMICS

TOPIC	TEXT CHAPTERS
Basic Concepts	1, 2
Supply, Demand, Elasticity	3, 4, 5, 6
Theory of Household Behaviour	8, 9
Theory of the Firm	11
Perfect Competition	12
Monopoly	13
Monopolistic Competition	14
Issues / Role of Government	16
International Trade	2, 7
National Income Accounting / Basic Concepts	20, 21
Simple Theory of Income Determination	27
Aggregate Demand and Supply	23
Money and Banking / Impact of Money	24
Foreign Exchange & International Economics	25
Other Topics as announced.	

Important Note: The Lecture Assignments identify the critical pages in each chapter. Lectures do not always follow the flow of the text. Some lectures exceed what the text provides.