

University of Toronto: Department of Economics

ECO100Y L5201: Principles of Economics
Summer, 2015: TR 6-9PM

Kieran Furlong: k.furlong@utoronto.ca

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

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

EVALUATION: TESTS AND MIDTERM IN EX100 (Surname A-L) and EX200 (M-Z)

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

Midterm MC/Written **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 WB116**.

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 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 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; Elasticities and Tax: Ch. 4, 92-95 Problem Set: Elasticity and Per Unit Taxes
May	26	Consumer Choice: Budget Lines & Indifference Curves. Ch. 6 Appendix, 143-4 Consumer Equilibrium Problem Set: Consumer Choice
May	28	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 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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June	5	Test #1: 10:00AM – 11:00AM in EX100 (Surname A-L) and EX200 (M-Z)
June	9	Long-run Cost. Ch. 8, 177-185 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
June	16	Monopoly Equilibrium. Ch. 10, 230-34 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
		MACROECONOMICS
July	7	Business Cycles and Unemployment. Ch. 19, 473-483, Ch. 31, 775-796 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
July	10	Midterm Exam: 10:00AM – 12:00PM (Noon) in EX100 and EX200 (M-Z)
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	16	Equilibrium: $C + I + G + X - IM = Y$ & Multipliers. Ch. 22. 545-559; Appendix Government Deficits. Ch. 32: 801-809 Problem Set: MacroModel
July	21	Money and Banking. Ch. 27, 664-671 Money Supply. Ch. 27, 678-685 Problem Set: Money Supply
July	23	Money Demand. Ch. 15: 361-367; Ch. 28: 690-699 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 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
July	31	Test #2: 10:00 – 11:00AM in in EX100 and EX200 (M-Z)
August	4	Aggregate Demand and Aggregate Supply Shocks. Ch. 23, 572-583 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	6	Balance of Payments and Flexible Exchange Rates. Ch. 35, 873-878 Fixed Exchange Rates and Monetary Policy; Ch. 35, 878-889 Problem Set: Balance of Payments and Exchange Rates
August	7	Make-up Exam (for all missed Exams): 10:00 – 11:30AM in BA2165