

**ECONOMICS ECO105Y**  
**Introduction to Economics for Non-Specialists**  
**[corrected 12 September]**

**Fall 2015 / Winter 2016**

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## INTRODUCTION

“Economics is a science of thinking in terms of models joined to the art of choosing models which are relevant to the contemporary world. It is compelled to be this, because, unlike the typical natural science, the material to which it is applied is, in too many respects, not homogeneous through time. The object of a model is to segregate the semi-permanent or relatively constant factors from those which are transitory or fluctuating so as to develop a logical way of thinking about the latter .... Good economists are scarce because the gift for using ‘vigilant observation’ to choose good models, although it does not require a highly specialised intellectual technique, appears to be a very rare one.” – John Maynard Keynes

The ECO105Y course introduces microeconomics and macroeconomics as the basis for making smart choices in life as consumers, businesspeople, investors and informed citizens judging government policies. Microeconomics focuses on cost/benefit analysis of all decisions. Topics include gains from trade, how prices coordinate choices, the roles of competition and monopoly, efficiency/equity tradeoffs, government versus market failures, environmental policies, and income/wealth distributions. Macroeconomics focuses on the performance of market economies – measured by GDP growth, unemployment, inflation – and appropriate roles for government monetary and fiscal policies. Topics include GDP, economic growth, business cycles, unemployment, inflation, money and the Bank of Canada, exchange rates, government deficits, the national debt, globalization and trade policy.

Provides intuitive fundamentals for economic literacy without the mathematical details of ECO100Y.

Students who intend to complete a minor, major, or specialist program in Economics are advised to take ECO100Y. However, students can pursue a minor or major program (but not specialist) in Economics with an 80% in ECO105Y.

## REQUIRED COURSE MATERIALS

***MicroEconomics for Life: Smart Choices for You***, 2<sup>nd</sup> edition, by A. Cohen (Pearson, 2015)

***MacroEconomics for Life: Smart Choices for All?***, 2<sup>nd</sup> edition, by A. Cohen (Pearson, 2015)

***MyEconLab* (MEL)** (Pearson 2015); **PeerScholar.ca** (free for UofT students)

### Purchase Options:

- **Best Value** A bundle of *Economics for Life* (micro+macro 2<sup>nd</sup> edition print textbooks) + *MyEconLab with eText Access Codes* package is available in the UofT bookstore (ISBN 13: 9780134344911) for \$173.50. Please note that macro content does not begin until January. You must keep your macro access code and bookstore receipt for January (I would save the access code now on your computer). You will NOT be issued a new access code if you lose it.
- **Print Microeconomics, 2E with MyEconLab with eText** A package of Micro 2nd edition print textbook and *MyEconLab with eText Access Code* is available in the UofT bookstore (ISBN: 9780133899368) for \$119.95. If you purchase this Micro-only package you will need to purchase the Macro resources separately. The Best Value option above is cheaper.

- **Print Macroeconomics, 2E with MyEconLab with eText** A package of Macro 2nd edition print textbook and *MyEconLab with eText Access Code* is available in the UoT bookstore (ISBN: 9780134005645) for \$119.95.
- **eText with MyEconLab Online Purchase** At [www.pearsonmylab.com](http://www.pearsonmylab.com), you will see online purchase options. If you enter Course ID cohen48006, you can buy 12 month access to an eText of *Microeconomics for Life* with *MyEconLab* for \$90. If you enter Course ID cohen69719, you can buy 12 month access to an eText of *Macroeconomics for Life* with *MyEconLab* for \$90.

If you buy used print textbooks, *MyEconLab* access alone (**no eText**) is available for \$50 each for micro and macro. You can also get free 14 day access to all 2<sup>nd</sup> edition *Economics for Life* online resources so you can get started on coursework while you decide on your purchase.

The 1<sup>st</sup> editions of the textbooks did not include graphs. There are almost 100 new graphs in the 2<sup>nd</sup> editions, new topics, and changed chapter numbering. I would *not* try and get by with the 1<sup>st</sup> edition.

A calculator is not required and is **not allowed** at tests and the exam.

Any additional required readings will be posted to the course website.

## FINAL GRADE

Your final course grade will be based on a Warm-Up Exercise (2%), 10 on-line quizzes in *MyEconLab* collectively worth 13%; your best 3 marks from the 4 non-cumulative term tests worth 15% each (collectively 45%), a 1-2 page writing assignment in the form of a newspaper op-ed piece worth 15%, and a cumulative final exam worth 25%. The writing assignment will use peerScholar and TurnItIn <http://www.teaching.utoronto.ca/teaching/academicintegrity/turnitin.htm>.

The breakdown with the specific marks used in calculating your final course numerical average is below.

<u>Task</u>	<u>% of Course Grade</u>	<u>Date</u>	<u>Marks</u>
Warm-Up Exercise	2%	September	12
<i>MyEconLab</i> Quizzes	13%	<i>Throughout academic year</i>	78
Test 1	15% (8-10 am, 65 minutes)	Monday, 26 October 2015	90
Test 2	15% (8-10 am, 65 minutes)	Wednesday, 9 December 2015	90
Test 3	15% (8-10 am, 65 minutes)	Monday, 8 February 2016	90
Test 4	15% (8-10 am, 65 minutes)	Monday, 28 March 2016	90
Writing Assignment	15%	Staggered dates, March 2016	90
Final Exam	25% (2 hours)	April 12 - 29, 2016	150
<b>Totals</b>	<b>100%</b>		<b>600</b>

## MAKE-UP POLICY

**No** permission is **ever** given to a student to write a test or exam in advance of its scheduled date. Students missing one term test for religious, medical or emergency reasons will have their other three tests count as their “best 3 out of 4” in calculating their course average. No documentation is required for one missed test. **Missing more than one term test results in a grade of zero for the second missed test unless you provide a fully completed University of Toronto Medical Certificate showing a physical incapability of writing the test (dated the day of the test or earlier) within one week of the second missed test.** No other medical documentation is acceptable. With an acceptable University of Toronto Medical Certificate, you will be allow to write a make-up test on Monday, 4 April 2016 during normal class time. The make-up test will cover the material on all 4 term tests. The make-up test is only for students who miss a second test and provide acceptable documentation. **No** student is ever allowed to write a make-up test in order to improve a score from an original test.

## COURSE WEBSITE AND *MyEconLab*

ECO105Y does **not** use Blackboard. You can access the course website and *MyEconLab* at <http://pearsonmylab.com>. You will need a valid **Pearson access code** that either came with your purchased textbook, or that you bought online. Use that access code to get to the ECO105Y MICRO 2015/2016 (Cohen) website by following the instructions below.

### How To Enroll in ECO105Y Website and *MyEconLab*

Go to <http://pearsonmylab.com>

Under Register, select Student; then select OK! Register now

Enter your Course ID: **cohen48006**, and Continue

Enter your existing Pearson account username and password to Sign In.

- You have an account if you have used a Pearson product, for example: MyMathLab, MyITLab, MyPsychLab, MySpanishLab or Mastering, such as MasteringBiology.

If you don't have an account, select Create and complete the required fields.

- Enter the email address you use most, and also use that email address as your username;
- Choose a password;
- Where it asks for First Name, enter whatever name you generally use, but if it is different from the first name on your UTORid, **ALSO enter in parentheses your (first name exactly as it appears on your UTORid) – for example, Arthur (Ziyue)**;
- Enter your Last Name **exactly as it appears on your UTORid**;
- Complete the rest of the page.

Select an access option.

- Use the access code that came with your textbook or that you purchased separately from the bookstore.
- Buy access using a credit card or PayPal account.
- If available, get 14 days temporary access. (The link is near the bottom of the screen.)

For subsequent visits to the course website, please log into <http://pearsonmylab.com> as a returning user with the username/password you just created.

**The website will be available by Saturday 12 September 2015.**

### Technical Support

Detailed instructions on navigating the course are available from the '?' link at the top right of every webpage.

The **Tech Help** tab on the main course menu also contains 24/7 contact information for Pearson.

Go to <http://247pearsoned.custhelp.com/> which has live chat, or call 844-292-7015.

If you have technical problems, **I cannot help**. Contact Pearson (live chat is best as you get a transcript).

### Discussion Forums

All questions about course content (economics) should be posted to the online Discussion Forums. These forums are moderated by the TAs, but often a classmate will provide a correct answer more quickly. Post questions, responses, comments about any course material -- lectures, textbook, study guide, *MyEconLab*, media stories, etc. All new postings/threads require a subject line. **To receive a response from a TA or from me, the first word in your subject line must be your TA's name**. Then add a descriptive subject. For example: charles - opportunity cost. Your TA is responsible for responding (if another student hasn't already answered your question) to all posts from his/her assigned students. I will jump in after the TAs if I think I have something to add. **I will not discuss individual content question by email** unless your posted question has not been answered satisfactorily on the discussion board. There are 500 of you, and 1 of me.

## WARM-UP EXERCISE

This is an online exercise for the first weeks of class (<http://economics.utoronto.ca/warmup>) that is assigned in all 1<sup>st</sup> year econ courses. 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. Doing the exercise is worth 2% of your total course grade in ECO 105Y.

## COURSE WORK

Lectures are on Mondays, 8:10 – 10:00 am. I tried to arrange coffee service for you all but was refused. I will only use the Friday 11 am time to make up missed lecture time from term tests, for review before term tests, to review test answers, or because I was absent on a Monday. Already scheduled Friday 11 am lectures are listed on the lecture schedule.

Please silence all cell phones before entering the lecture hall. I would appreciate it if you would not text in class – I find it very hard to concentrate and deliver good lectures when I face texting students. Lecture notes (in the form of PowerPoint slides) will be available by midnight the night before class on the course website (<http://pearsonmylab.com>). You should print out the lecture notes and bring them to class, as the pace of lectures will presume you have the notes in front of you. You should login to the website at least twice a week to stay current with course information.

The term tests and final exam consist of true/false (T/F) and multiple choice (MC) questions and short answer problems (SAP). These will be similar to the questions in the **MyEconLab and Study Guide Assignments** on the course outline for each textbook chapter. Previous years' term tests, exam and answer guides are posted online so you have an idea what to expect. If you want additional practice, there are also **Optional Assignments** for *MyEconLab* and the Study Guide listed for each chapter on the course website. None of these assignments will be graded and will not directly affect your grade. However, the importance of doing the assigned questions cannot be overemphasized. Next to attending and understanding the lectures, working out the answers to the assigned questions is the most important preparation for the term tests and exam. You will not do well if you cannot answer the assigned questions. **The term tests and exam will also cover news stories and all other non-textbook material covered in lecture. In a change from past years, I will occasionally lecture on "big think" issues beyond the textbook.**

One danger of a course where you do not have written, graded assignments is that you fall behind in your reading and studying. In most university courses, but in Economics in particular, falling behind is a recipe for disaster, as last minute cramming does not work. The failure rate on first term tests in Economics is typically high because students do not take this advice. To help prevent this outcome, I will have online quizzes throughout the term that must be completed by specific dates.

The first quiz, **Quiz Zero**, appears on the course website and is designed to ensure that you are familiar with all of the rules of this course. All of the answers to the questions in Quiz Zero may be found in this course outline. You may take Quiz Zero as many times as necessary until you get all questions right. While you will not receive any marks towards your final course grade, you will not be able to access the graded quizzes until you complete Quiz Zero with a perfect score. Once you complete Quiz Zero with a perfect score, the excuse of "I didn't know that rule for make-ups / missed quizzes / test times / appeals, etc" will, of course, not apply to you. Quiz Zero will also help you get familiar with *MyEconLab*.

You will have at least 1 week to complete each of the 10 graded quizzes, and they can be accessed from any computer with an internet connection, anywhere in the world. Accordingly, **I do not accept any excuses for missing a quiz.**

Read the **How to Succeed** page on the website for advice on studying if you want to increase your chances of earning a higher grade. Another tip is to be sure to attend lectures. One of the most common mistakes students make is to think that because the PowerPoint lecture notes are available online, there is no reason to attend lectures. The notes contain the main concepts, but do *not* contain the detailed explanations and examples that help you make sense of the concepts. The tests and exam focus less on recall of information, and more on application of concepts to different situations. That is also why working the practice problems in the **Assignments** and old tests is important.

The lecture schedule on pages 6-7 indicates, for each week, the textbook chapters you should be reading and the *MyEconLab* and Study Guide Assignments. I may not always finish a topic on the listed date, in which case I will continue lecturing on that topic at the start of the next class, before moving on to the listed topic for that date.

## LECTURE RECORDINGS

All lectures are digitally captured for online viewing. Despite the online option (term tests and final exam must be written in person), I strongly recommend that you attend class to benefit from the interactions and ability to ask questions. Read the summary below of "The impact of online lecture recordings on student performance," by Andrew Williams, Elisa Birch and Phil Hancock, *Australasian Journal of Educational Technology* 2012, 28(2), 199-213.

The use of online lecture recordings as a supplement to physical lectures is an increasingly popular tool at many universities. This paper combines survey data with student record data for students in a Microeconomics Principles class to examine the relative effects of lecture attendance and online lecture recordings. The main finding is that students using the online lectures as a substitute for attending lectures are ultimately at a fairly severe disadvantage in terms of their final marks. Moreover, students attending few face to face lectures do not close this gap by viewing more lectures online. In contrast to this, students who attend the majority of lectures in person do receive a benefit from additional use of the lecture recordings. The results provide empirical evidence that, when used as a complementary tool, lecture recordings are a valuable supplement for students. However, when used as a substitute to attending lectures, lecture recordings provide no additional benefit.

Captured lectures are not perfect substitutes for live lectures. Group exercises in class are an opportunity to get to know fellow students and avoid the potential isolation of large classes. When I use the docucamera in class as a digital whiteboard, those images are not captured. Captures are available with a 48 hour lag, and I cannot guarantee that the technology will always work (although it is pretty reliable). Weigh the costs and benefits of coming to class.

## ACADMIC HONESTY

Students should note that copying, plagiarizing, or other forms of academic misconduct will not be tolerated. Any student caught engaging in such activities will be subject to academic discipline ranging from a mark of zero on the assignment, test or examination to dismissal from the university as outlined in the academic handbook. Any student abetting or otherwise assisting in such misconduct will also be subject to academic penalties. **In ECO105Y, having a calculator at your desk during a test or exam is academic misconduct.**

Cheating and plagiarism are serious offences, which carry severe penalties. All students are expected to make themselves familiar with the Code of Behaviour on Academic Matters, which is at <http://life.utoronto.ca/get-smarter/academic-honesty.htm>.

Requests for re-grading of term tests must be submitted, in writing, to the instructor within 10 days of the date the test is returned. After that time, original grades will not be changed. These requests should formally justify where additional consideration is warranted according to the printed answer guide. Re-grading involves a reevaluation of the entire test and may raise or lower the original score. Tests written in pencil cannot be submitted for re-grading. I personally review all re-graded tests.

## TUTORIALS and TEACHING ASSISTANTS

There are **no** tutorials for this course. Teaching Assistants will hold regular office hours, which will be announced later in September. Every TA will be assigned a group of students for which s/he is responsible for answering questions posted on the Discussion Forum. During office hours, you may see your assigned TA or any other TA for help.

The student-run Economics Study Center in Room 110, 150 St George is staffed by third and fourth year undergraduate students who act as peer mentors to Economics and Commerce students. The peer mentors assist students on a one-to-one basis or in study groups, and are your best resource for in-person help.

## LET'S GO

If you don't learn a lot of Economics, or find this course interesting or enjoyable, then I'm not doing my job. I love teaching, and consider it my responsibility to help you do well. Learning Economics means working hard. But if you are willing to put in the time, I will do everything I can to help you succeed. If you have questions in lecture, ask them. If you see media stories about Economics that interest you, post them. If you have suggestions for improving the course, let me know. What you will get out of this course, as what you will get out of your University experience in general, depends entirely on what you put into it.

**LECTURE SCHEDULE AND ASSIGNMENTS**  
**Fall 2015 ECO105Y**

WEEK OF	TOPIC	READING ASSIGNMENTS	MEL & STUDY GUIDE (T/F, MC) ASSIGNMENTS	FRIDAY 11 AM CLASSES
Sept. 14	Scarcity, Opportunity Cost, Trade, and Models	Micro Ch. 1	Get to know MEL Do <b>Quiz Zero</b>	
Sept. 21	Specialization, Trade, Comparative Advantage		Ch. 1: MEL Study Plan T/F & MC All	
Sept. 28	The Law of Demand	Micro Ch. 2	Ch. 2: MEL Study Plan T/F & MC All	
Oct. 5	The Law of Supply	Micro Ch. 3	Ch. 3: MEL Study Plan T/F & MC All	
Oct. 12	No class – Thanksgiving			
Oct. 19	Demand and Supply; Elasticity	Micro Chs. 4, 5	Ch. 4: MEL Study Plan T/F & MC All Ch. 5: MEL Study Plan T/F & MC All	Q&A Test Prep Friday 23 Oct
Oct. 26	<b>TEST 1 – Monday 26 October</b>			
Nov. 2	Government Policy Choices	Micro Ch. 6	Ch. 6: MEL Study Plan T/F & MC All	Test 1 Review Friday 6 Nov
Nov. 9	No class – Fall break			
Nov. 16	Opportunity Costs, Economic Profits/Losses, Miracle of Markets	Micro Ch. 7	Ch. 7: MEL Study Plan T/F & MC All	
Nov. 23	Pricing Power: Monopoly to Competition and In Between	Micro Ch. 8	Ch. 8: MEL Study Plan T/F & MC All	
Nov. 30	Pricing for Profits: Marginal Revenue and Marginal Cost	Micro Ch. 9	Ch. 9: MEL Study Plan T/F & MC All	Q&A Test Prep Friday 4 Dec
Dec. 7	When Markets Fail: Natural Monopoly, Gaming, Competition, and Government	Micro Ch. 10	Ch. 10: MEL Study Plan T/F & MC All	
Dec. 9	<b>TEST 2 – Wednesday 9 December (counts as a UoFT Monday)</b>			

**LECTURE SCHEDULE AND ASSIGNMENTS****Winter 2016 ECO105Y**

WEEK OF	TOPIC	READING ASSIGNMENTS	MEL & STUDY GUIDE (T/F, MC) ASSIGNMENTS	FRIDAY 11 AM CLASSES
Jan. 11	Externalities, Carbon Taxes, Free Riders and Public Goods;  Inputs, Income & Inequality	Micro Chs. 11, 12	Ch. 11: MEL Study Plan T/F & MC All Ch. 12: MEL Study Plan MC All	Test 2 Review Friday 15 Jan
<b>Using the same username as for Micro, go to pearsonmylab.com. enter the Macro course ID cohen69719, and use your Macro access code to get to the course website ECO105Y MACRO 2015/2016 (Cohen)</b>				
Jan. 18	Are Your Smart Choices Smart for All?: Macroeconomics and Microeconomics	Macro Ch. 5	Ch. 5: MEL Study Plan T/F & MC All	
Jan. 25	GDP, Economic Growth, Business Cycles	Macro Ch. 6	Ch. 6: MEL Study Plan T/F & MC All	
Feb. 1	Unemployment and Inflation	Macro Ch. 7	Ch. 7: MEL Study Plan T/F & MC All	Q&A Test Prep 5 Feb
Feb. 8	<b>TEST 3 – Monday 8 February</b>			
Feb. 15	No class – Reading week			
Feb. 22	Aggregate Supply and Aggregate Demand	Macro Ch. 8	Ch. 8: MEL Study Plan T/F & MC All	Test 3 Review Friday 26 February
Feb. 29	Demanders and Suppliers of Money	Macro Ch. 9	Ch. 9: MEL Study Plan T/F & MC All	
Mar. 7	Exchange Rates and Payments with the Rest of the World	Macro Ch. 10	Ch. 10: MEL Study Plan T/F & MC All	
Mar. 14	Monetary Policy and the Bank of Canada	Macro Ch. 11	Ch. 11: MEL Study Plan T/F & MC All	
Mar. 21	Fiscal Policy, Deficits, National Debt	Macro Ch. 12	Ch. 12: MEL Study Plan T/F & MC All	Good Friday, so no Q&A Test Prep
Mar. 28	<b>TEST 4 – Monday 28 March</b>			
April 4	Globalization and Trade Policy	Macro Ch. 13	Ch. 13: MEL Study Plan T/F & MC All	
<b>FINAL EXAM – APRIL 12 – 29, 2016</b>				