

University of Toronto
Department of Economics
ECO100Y L5201: Principles of Economics
Fall/Winter, 2015/2016
MS2158: Wednesdays, 6-9PM

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Office Hours: GE344: Tuesdays, 12:00 – 1:50 PM

TEXTBOOK: *Economics* (14th Canadian Edition)
Christopher Ragan and Richard Lipsey. Toronto: Addison-Wesley, 2013

EVALUATION:

Warm-Up	First 2 Weeks: Answer Survey: www.warmup.utoronto.ca			2 % of Grade
Test 1	Multiple Choice	October 23	9:00 – 10:00 AM	12% of Grade
Midterm	Diagram/Calculate/MC	January 22	9:00 – 11:00 AM	24% of Grade
Test 2	Multiple Choice	April 1	10:00 – 11:00 AM	12% of Grade
Final Exam	Diagram/Calculate/MC	Final Exam Period (April)		50% of Grade

The tests cover the material since the previous test/midterm but the midterm covers all of Micro and Comparative Advantage. The final exam covers the whole course. Students who miss a midterm must email me a scanned copy of a medical/funeral document within one week of the exam to write a make-up covering the whole course from 10:00 –11:30 AM on April 8. The final examination is divided into 50 multiple-choice questions, worth 50% of the exam, and analytic/diagrammatic/calculation/explanation questions, worth 50% of the exam. Each 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 and TUTORIALS

I recommend the textbook (any edition will do) but sell a package of Lecture Notes and Problem Sets 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. Teaching Assistants provide tutorials every week to clarify the problem sets and also hold office hours for individual consultation on problems.

EXAM PROTOCOL

You must use only non-programmable calculators (no other electronic devices) and writing implements (pens, rulers, etc.), begin the exam with everyone else and stop writing when time is up. Any transgression is an academic offense and subject to sanction. You must fill in the scantrons (multiple choice) in pencil. I prefer that you write the written part of the midterm in pencil but this can be awkward; however, I will only review marks on exams in pen.

REMARKING MIDTERMS

We will hand the tests/midterms back one week after the exam. I will post the marking scheme to the exam on Blackboard at that point. Please go through the answers carefully to see if the TAs (or I) made any mistake in marking since I will only accept requests for remarking during my office hours and the class breaks during the following week (i.e., second week after the exam) but only if you have consulted my marking scheme. It is very important to understand your mistakes since the final exam covers much of this material again

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LECTURE AND READING SCHEDULE

September	16	Introduction Basic Definitions: Chapter 2 and Appendix Chapter 1 Production Possibilities Curves. Ch.1, particularly 4-9 Problem Set: Production Possibilities
September	23	Demand: Ch. 3, 55-64 Shifts in Demand; Supply, 64-68 Problem Set: Demand and Supply
September	30	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
October	7	Elasticity Ch. 4, 81-90, 95-98 Elasticity and Tax: Ch. 4, 92-95 Problem Set: Elasticity and Per Unit Taxes
October	14	Consumer Choice: Budget Lines. Ch. 6 Appendix, 143-44 Consumer Choice: Indifference Curves. Ch. 6 Appendix, 145-47 Consumer Equilibrium and Derivation of Demand Ch. 6 Appendix, 148-50 Problem Set: Consumer Choice
October	21	The Firm and Short-run Product. Ch. 7, 153-66 Labour Demand
	23	MULTIPLE CHOICE TEST #1: 9:00 - 10:00 AM Problem Set: Derivation of Demand and Income/Substitution Effects
October	28	Short-run Cost. Ch. 7, 166-170, 170-173 Short-run Competitive Equilibrium: Ch. 9, 200-214 Problem Set: Short-run Cost
November	4	Short-run Competitive Equilibrium: Ch. 9, 200-214 Changes in Short-run Competitive Equilibrium: Ch. 9 Problem Set: Short-run Competitive Equilibrium
November	11	Long-run Cost. Ch. 8, 177-185 Competitive Long-Run Equilibrium. Ch. 9, 215-220 Changes in Competitive Long-Run Equilibrium. Ch. 9, 215-220 Problem Set: Long-run Equilibrium
November	18	Monopoly: Marginal Revenue and Profit Maximization. Ch. 10, 227-230 Sample Exams
November	25	Natural Monopolies and Cartels: Ch. 10, 237-241 Problem Set: Monopoly Economic Efficiency. Ch.5: 113-120 Efficiency: Competition versus Monopoly. Ch. 12: 281-296
December	2	Externalities. Ch. 16, 391-397; Ch. 17, 418-423; Ch. 18: 454-457 Problem Set: Efficiency Gains from Trade. Ch. 34: 875-876
January	13	Comparative Advantage. Ch. 33, 843-855 Problem Set: Comparative Advantage
		MACROECONOMICS
January	20	Business Cycles. Ch. 19, 475-484 Unemployment. Ch. 31 Price Indices and Inflation. Ch. 19, 484-493; Ch. 20: 509-511
January	22	MIDTERM: 9:00 – 11:00 PM (Micro plus Comparative Advantage)

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January	27	Price Indices and Inflation. Ch. 19, 484-493; Ch. 20: 509-511 Gross Domestic Product (GDP). Ch. 20, 498-499 Problem Set: Price Indices and Unemployment
February	3	National Accounts: Expenditure. Ch. 20, 500-508 National Accounts: Income. Ch. 20, 510-513 Problem Set: National Accounts
February	10	Aggregate Expenditure (AE): Consumption (C). Ch. 21, 518-527 AE: C + I (Investment) and Y (GDP) Equilibrium. Ch. 21, 527-542 Equilibrium: $C + I + G + X - IM = Y$ Ch. 22. 547-562; Appendix Problem Set: Consumption/Investment
February	24	Equilibrium: $AE = Y$ & Multipliers. Ch. 22. 547-562; Appendix Government Deficits. Ch. 32: 819-825 Money and Banking. Ch. 27, 672-679 Problem Set: MacroModel
March	2	Money Supply. Ch. 27, 679-695 Money Supply: Bank of Canada. Ch. 27, 679-695 Money Demand. Ch. 15: 360-364; Ch. 28: 701-710 Problem Set: Money Supply
March	9	Equilibrium Money and Interest Rate. Ch. 28, 710-714 Bank of Canada and Monetary Policy. Ch. 29, 729-744 Marginal Efficiency of Investment Problem Set: Money Demand/Supply and Equilibrium
March	16	Money and GDP Equilibrium. Ch. 15: 364-368 Monetary and Fiscal Policy: Crowding Out Aggregate Demand. Ch. 23, 570-575 Problem Set: Money and GDP Equilibrium
March	23	Aggregate Supply and Short-run Equilibrium. Ch. 23, 575-582 Aggregate Demand Shocks in the Short-run. Ch. 23, 582-586 Problem Set: Aggregate Demand/Supply in the Short-run
March	30	Long-run Aggregate Demand/Supply. Ch. 24; Ch. 28: 717-722; Ch. 30: 764-69 Aggregate Demand and Aggregate Supply Shocks. Ch. 23, 582-586 Problem Set: Aggregate Demand/Supply in the Long-run
April	1	MULTIPLE CHOICE TEST #2: 10:00 - 11:00 AM
April	6	Flexible Exchange Rates. Ch. 35, 893-904 Fixed Exchange Rates and Monetary Policy; Ch. 35, 919-924 Problem Set: Balance of Payments and Exchange Rates
April	8	Make-up Exam 10:00AM – 11:30 AM