

**Department of Economics
University of Toronto**

**Economics 100Y – L0101: Introduction to Economics
2016 – 2017**

First Term

Professor James E. Pesando
150 St. George St, Rm. 274
Office hours:
Tuesdays 11:30am – 1:00pm

Second Term

Professor Loren Brandt
150 St. George St
Office hours:
TBD

Description

Economics is the study of human behaviour in the presence of scarcity. As such, it examines how the various actors in the economy -- individuals, firms, and governments -- make choices, as well as the main avenues by which they interact -- markets and public policy.

This course is an introduction to how economists model the rational economic behaviour of these agents in a market environment, and also how economists evaluate market performance. For example, we ask whether markets always lead to the best possible outcomes, and if not, under what conditions governments might intervene to improve matters.

The first part of the course, *microeconomics*, introduces the building blocks of economic analysis. We will develop theories of consumer and producer behaviour, the competitive supply and demand model, and models of markets characterized by imperfect competition, including monopoly and oligopoly. The second part of the course, *macroeconomics*, focuses on economic aggregates, such as the unemployment rate, economic growth, and inflation. Most of the time, macroeconomics is essentially the application of microeconomic principles to these "big picture" variables.

Objectives

This course has two equally important objectives.

1. To help students learn how to "think like an economist", and prepare them for further study in economics;
2. To provide students an overview of the richness of questions addressed in modern economics.

Required Texts

Microeconomics:

Gregory Mankiw et. al., Principles of Microeconomics (6th Canadian Edition, 2014)
S. Manouchehri and P. Fortura, Study Guide to accompany Gregory Mankiw et. al. Principles of Microeconomics (6th Canadian Edition, 2014)

Macroeconomics:

Christopher Ragan, Macroeconomics, (15th Canadian Edition)
Christopher Ragan, Study Guide for Macroeconomics, (15th Canadian Edition)

Lectures (BT101)

Lectures will ordinarily be held on Monday and Wednesday at 11:10 a.m. Fridays will be reserved for make-up sessions (if necessary) and for tests. Announcements will be made through the portal if there are any Friday classes.

Tutorials

The lectures will be supplemented by tutorials, each of which will be designed around a particular assignment. Tutorial groups will be arranged early in the semester, with times and locations of the tutorials posted on Blackboard and announced in class. Tutorial assignments will be provided in advance and will not be graded. Solutions to the assignments will not be made available, except in tutorials. The assignments are designed to improve the student's understanding of the core material and to prepare students for the term tests and final examination. Students can expect approximately 8 weeks of tutorials per semester.

Course on Blackboard

Announcements, tutorial assignments, grades, problem sets, and answers to term tests will be posted on Blackboard. The syllabus (the week-by-week schedule of lectures topics and required readings) will also be posted here (as available).

Email

Email is not an appropriate forum for discussing course materials or asking about course content. The use of email to instructors should be restricted to private matters.

Aid Centre (TA office hours)

There is an Aid Centre, staffed by our Teaching Assistants, which will be open weekly. Hours and location will be announced at the beginning of term. In addition to these regular (weekly) hours, in weeks of term tests we will try to offer additional Aid Centre hours. Times and locations of these extra hours, as well as any changes to the regular Aid Centre hours, will be posted on Blackboard.

Economics Study Center

The Economics Study Centre is located in the Economics Department, and 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 student groups. The focus of the program is on first and second year core Economics courses including Eco100Y. The hours of the study centre will be posted on the website:

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

Please keep in mind that the study centre runs independently of our course.

Student Assessment

Student grades are based on the following assessments:

Assessment	Date	Grade percentage
Warm-up Exercise	Beginning of terms	2%
Term Test 1	October 21, 2016	16%
Term Test 2	December 2, 2016	16%
Term Test 3	March 3, 2017,	16%
Final Exam	Final Exam Period	50%

Warm-Up Exercise

There is a warm-up exercise (to be done online) intended for the first weeks of class, and a follow-up survey at the start of the 2nd semester. The exercise involves answering questions about personality traits or goals and should take about one hour. Its purpose is to learn more about how to help promote academic and personal success.

Students who complete the warm-up exercise at the beginning of the semester AND the follow-up survey, will receive the full value (2%) towards their grade in the course. **Everyone should do this exercise.**

Examinations

There will be three term tests, each approximately one hour, on the following dates:

- 1. Friday, October 21, 2016 – 11:00am**
- 2. Friday, December 2, 2016 – 11:00am**
- 3. Friday, March 3, 2017 – 11:00 am**

The three term tests will comprise 48% (16% each) of the course grade. The final examination will count for the remaining 50% of the course grade. The tests will consist of a combination of short-answer and multiple-choice questions. Details of the coverage will be made available closet to the test dates.

Final Exam

The final examination (50% of the course grade) is composed of multiple-choice and short-answer questions. Each student in Economics 100 will answer a common set of questions (identical across sections) covering the core material. This common component will make up 50% of the final exam. The other 50% of the exam will be a set of questions, specific to each section.

Make-up Test

Students who miss a test for any reason will receive a zero for the missed test, unless they submit the appropriate documentation. Students with an excused absence from any of the term tests will write a common make-up examination at **11:00am on Friday, March 31, 2017**. This make-up examination will cover the entire course, and will be held at a location to be announced.

In order to write the make-up test, students are required to submit official documentation *within one week* of the missed test. The only accepted document is the official University of Toronto *Verification of Student Illness or Injury* form, available here: <http://www.illnessverification.utoronto.ca>. The form must be completed in its entirety by a physician, and must indicate that in his/her professional opinion you were unable to write the test on that particular date.

Final Grades in Economics 100Y

- 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.

Academic Integrity

Academic integrity is one of the cornerstones of the University of Toronto. It is critically important both to maintain our community, which honours the values of honesty, trust, respect, fairness and responsibility, and to protect you, the students within this community, and the value of the degree towards which you are all working so diligently. According to Section B of the University of Toronto's Code of Behaviour on Academic Matters (<http://www.utoronto.ca/govcncl/pap/policies/behaveac.html>), which all students are expected to know and respect, it is an offence for students:

- To obtain unauthorized assistance on any assignment or to provide unauthorized assistance to another student (e.g., showing completed work or an answer in a test).
- To falsify or alter any documentation required by the University (this includes doctor's notes).
- To alter and submit for re-marking any course assignment (e.g., a test).
- To use or possess an unauthorized aid in any test or exam (e.g., a cellphone).
- To continue writing when the time is up in any test or exam.

Course Outline and Reading Assignments

First Term (Instructor: James E. Pesando)

Microeconomics

<u>Week of</u>	<u>Topic</u>	<u>Mankiw, Chapters</u>
September 12, 2016	The Economic Way of Thinking	1, 2
September 19, 2016	The Gains from Trade	3
September 26, 2016	Demand, Supply and Market Price	4
October 3, 2016	Elasticity	5
October 10, 2016*	Demand and Supply: Applications	6

October 17, 2016	Consumer Demand Theory	7, 21
October 21, 2016	Term Test #1	
October 24, 2016	The Costs of Production	13
October 31, 2016	Perfect Competition	14
November 7, 2016**	Monopoly	15
November 14, 2016	Oligopoly	17
November 21, 2016	Monopolistic Competition	16
November 28, 2016	Applications/Review	No Reading
December 2, 2016	Term Test #2	

*Thanksgiving: No Class on Monday, October 10

**Fall break: No class on Monday, November 7

Second Term (Instructor: Loren Brandt)

<u>Week of</u>	<u>Topic</u>	TBA
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