

University of Toronto: Department of Economics

ECO100Y L5101: Principles of Economics
Summer, 2016: TR 6-9PM in MB128

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Office Hours: TR 12:10-12:40PM and 5:20 – 6:00PM in MB128

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 3** (Friday) 10:00 – 11:00 AM 12.5% of Grade

Midterm MC/Written **July 8** (Friday) 10:00AM – Noon 25% of Grade

Test 2 Multiple Choice **July 29** (Friday) 10:00 – 11:00 AM 12.5% of Grade

Final Exam Final Exam Period (**Aug 9-15**) 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 5**.

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.

LECTURE AND READING SCHEDULE

May	10	Introduction and Basic Definitions: Chapter 2 and Appendix Chapter 1 Production Possibilities Curves. Ch.1, particularly 4-9 Problem Set: Production Possibilities
May	12	Demand: Ch. 3, 55-64; Supply, 64-68 Problem Set: Demand and Supply
May	17	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	19	Elasticity Ch. 4, 81-90, 95-98; Elasticities and Tax: Ch. 4, 92-95 Problem Set: Elasticity and Per Unit Taxes
May	24	Consumer Choice: Budget Lines & Indifference Curves. Ch. 6 Appendix, 143-4 Consumer Equilibrium Problem Set: Consumer Choice
May	26	Derivation of Demand. Ch. 6 Appendix, 148-50. Problem Set: Derivation of Demand
May	31	The Firm and Short-run Product. Ch. 7, 153-66 Short-run Cost. Ch. 7, 166-173 Problem Set: Short-run Cost
June.	2	Short-run Competitive Equilibrium: Ch. 9, 200-214 Problem Set: Short-run Equilibrium
June	3	Test #1: 10:00AM – 11:00AM in EX100 (Surname A-L) and EX200 (M-Z)

ECO100Y L5101: Summer, 2016

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	28	Externalities. Ch. 16, 391-397; Ch. 17, 418-423; Ch. 18: 454-457
July	30	Gains from Trade, Ch. 34: 846-858 Comparative Advantage, Ch. 33, 823-839
July	2	Problem Set: Comparative Advantage
		MACROECONOMICS
July	5	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	7	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	8	Midterm Exam: 10:00AM – 12:00PM (Noon) in EX100 and EX200 (M-Z)
July	12	Aggregate Expenditure (AE): Consumption (C). Ch. 21, 518-527 AE: C + I (Investment) and Equilibrium. Ch. 21, 527-541 Problem Set: Consumption/Investment
July	14	Equilibrium: $C + I + G + X - IM = Y$ & Multipliers. Ch. 22. 545-559; Appendix Government Deficits. Ch. 32: 801-809 Problem Set: MacroModel
July	19	Money and Banking. Ch. 27, 664-671 Money Supply. Ch. 27, 678-685 Problem Set: Money Supply
July	21	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	26	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	28	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	29	Test #2: 10:00 – 11:00AM in in EX100 and EX200 (M-Z)
August	2	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	4	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	5	Make-up Exam (for all missed Exams): 10:00 – 11:30AM