

ECO101: SECTIONS L0301 & L0401: FALL 2017
PRINCIPLES OF MICROECONOMICS

1 THE BIG PICTURE

Lectures. Mondays, Wednesdays and some Fridays, BT101. **L0301:** 12:10 PM – 1:00 PM; **L0401:** 1:10 PM – 2:00 PM.

Contacting me.

office: Max Gluskin House (150 St. George Street), Room 330
office hours: Wednesdays, 2:30 PM – 3:30 PM; Thursdays, 10:00 AM – 11:00 AM
email: robert.gazzale@utoronto.ca

Required Texts.

- Krugman, Wells, Au, and Parkinson, *Microeconomics*, Second Canadian Edition, Worth Publishers, 2014.
- Any handouts posted on the Portal.

Required Websites.

- UofT's Learning Portal (a.k.a. Blackboard): <https://portal.utoronto.ca>
- MobLab: <https://www.moblab.com> (Registration instructions found in the syllabus section of Portal.)

Costs.

- The UofT bookstore has, at a specially negotiated price, a bundle containing the textbook as well as a MobLab access code.
- If you do not purchase the bundle, you must purchase MobLab access (US\$12 for the semester) directly from MobLab. Follow the instructions found in the syllabus section of Portal.

Assessments.

	Date	Time	Length	Weight
Warm-Up Exercise	Beginning of the semester. See Section 2.2.1.			1%
Tutorial Participation	See Section 2.2.3.			4%
Portal Quizzes	See Sections 2.2.2 and 2.2.3.			9%
Term Test 1	Friday, October 13, 2017	7:00 PM – 9:00 PM	100 mins.	23%
Term Test 2	Friday, November 24, 2017	5:00 PM – 7:00 PM	100 mins.	23%
Final Examination	December examination period	TBA	3 hours	40%

2 THE DETAILS

2.1 Goals of the Course

I have three goals for this course.

1. To introduce you to the economist way of thinking, and help you on the path towards thinking like an economist.
2. Introduce you to and help you understand some of the canonical models of modern microeconomics. (This also entails understanding the limits of these models.)
3. Assist you in gaining sufficient proficiency with these models so that you can apply them to novel situations and appreciate their implications vis-a-vis current public policy issues.

This course (ECO101) covers *microeconomics*, the study of decisions made by individual households and firms and their allocative implications. Many of you will choose to continue to ECO102 (*macroeconomics*) which looks at a nation's economy-wide phenomena such as the total size of an economy, unemployment, inflation and the interaction between national economies.

2.2 Course Organization

I am often asked, usually after a disappointing term test, how to better master principles of economics. I always come back to two key strategies. First, because the subject matter is cumulative, *do not fall behind*. Relatedly, I cannot stress enough the desirability of doing a first read of the required reading (it need not be in depth) *before* the corresponding lecture. Second, solve problems. Lots of them. I have organized the course around these ideas.

2.2.1 Warm-up Exercise

Purpose To learn more about how to help promote academic and personal success.

Details The exercise involves answering questions about personality traits or study goals. You access the exercise, using your UTORid, during the first couple of weeks of the semester. It should take about an hour. Please complete the exercise when you are at your computer and feeling relatively unrushed.

Where <http://warmup.utoronto.ca>

Marks 1% of your final grade. You earn full marks for completing the exercise, and none otherwise.

2.2.2 Portal Quizzes

Purpose Both to make sure that you keep up with the material and to give you practice solving the kinds of problems you will encounter on tests and the exam.

Details I Ten (or so) questions each quiz, completed within one hour of starting the quiz. Due dates are listed in Section 3. A quiz is made available on the Thursday before it is due, and must be started by 10:45 AM on the due date. If you access the quiz by 10:45 AM, you will have the full hour. You will not be able to access the quiz after 10:45 AM.

Details II Each question has four versions. You will be randomly assigned one version of each question. In-person collaboration amongst small groups is permitted.

Where The Portal.

Marks There will be nine quizzes. I will drop your lowest quiz mark.

2.2.3 Tutorials

Purpose Review and discuss concepts from lecture, to take up problems, and to participate in in-tutorial exercises.

Details I Starting the second full week of classes (September 18), each student will attend an almost-weekly one-hour tutorial. (Tutorial weeks are listed in Section 3.)

Details II In order to receive credit for tutorial participation, you must have already completed MobLab registration and must come to your tutorial session with an internet-connected device capable of MobLab access.

Sign up I You will be able to enrol in a tutorial starting on September 11 at 8:00 PM using the tutorial sign up link in the “tutorial” section of the Portal. Follow the link to sign up for any available (not already full) tutorial.

Sign up II Spots in a particular tutorial are allocated on a first-come-first-serve basis. You can switch from your current tutorial to another tutorial by using the same tutorial sign up link on the Portal.

Marks I There are 10 regular tutorial weeks. After dropping your lowest tutorial, tutorial participation as captured by MobLab will comprise 4% of your final marks.

Marks II You earn bonus marks equal to $\frac{1}{4}$ % of your final grade by completing a very brief MobLab survey by 10:30AM on Tuesday September 19.

2.3 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 your degree. According to Section B of the University of Toronto’s Code of Behaviour on Academic Matters (<http://www.governingcouncil.utoronto.ca/Assets/Governing+Council+Digital+Assets/Policies/PDF/ppjun011995.pdf>), which all students are expected to know and respect, it is an offence for students:

- To obtain unauthorized assistance on any assignment.
 - To provide unauthorized assistance to another student. This includes showing another student completed work (e.g., an answer in a test).
 - To falsify or alter any documentation required by the University. This, includes, but is not limited to, the *Verification of Student Illness or Injury* form.
 - 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., cellphone, graphing or programmable calculator).
 - To continue writing when the time is up in any test or exam.
- **N.B.** Anyone writing when the invigilator announces the end of the test or exam period automatically loses 5% of the total marks available on the test or exam.

There are other offences covered under the Code, but these are by far the most common. Please respect these rules and the values which they protect.

2.4 Accessibility

Students with diverse learning styles and needs are welcome in this course. In particular, if you have a consideration which may require accommodation, please feel free to approach me and/or Accessibility Services (416-978-8060 or <http://www.studentlife.utoronto.ca/as>).

2.5 Diversity

It is my intent that students from all backgrounds and perspectives be well served by this course. The diversity that students bring to this class is a strength and benefit. It is my intent to present materials and activities that are respectful of this diversity, including in the dimensions of race, culture, ethnicity and national origin, gender and gender identity, sexuality, socio-economic class, age, religion, and disability. Your suggestions are encouraged and appreciated.

Finally, if you prefer to be called a different name than what is on the course roster, please let me know. You may also share your gender pronouns.

2.6 Texts

I recommend purchasing the indicated versions of the required texts.

2.7 Website

This course will make heavy use of the UofT's Learning Portal (a.k.a. Blackboard). You are responsible for checking it regularly. Content includes:

- Announcements;
- Copies of the lecture slides;
- Online quizzes;
- Tutorial Problem Sets;
- Additional problems, some with solutions;
- Previous tests and exams; and
- Lecturecasts (i.e., videos of each lecture, posted approximately 24 hours later).

2.8 MobLab

MobLab is an online platform for participating in economic experiments, games, markets and surveys. You access MobLab with any internet-connected device. See the Portal for registration instructions.

We will use MobLab in each tutorial. You are thus expected to attend your tutorial section with an internet-connected device in order to participate.

- You will use MobLab to submit “low-stakes” graded exercises. The nature of the exercises may vary week-to-week, but the primary objective is to provide students an opportunity to write about core ideas in the course, or practice solving an economics problem. For writing exercises, full marks are awarded for any credible attempt at the exercise; half-marks for half-hearted attempts; and zero for no attempt.
- You will use MobLab to participate in economic games and markets. Full marks are awarded for sincere participation.

I may also, with advance notice, conduct MobLab sessions during lectures.

Important: If you will not be able to participate using MobLab (for example, you do not own an internet-connected device), you must speak to me **before** September 15 to arrange an alternate means of earning the tutorial participation marks.

2.9 Lectures

During lecture, I will project “PowerPoint” slides. I encourage you to print them and bring them to lecture. You will notice that while a set of slides represents a good overview of a topic and contains many of the important definitions, many of the details are missing. During the lecture, we shall fill in the missing details, resulting in “marked-up” slides. **I will not make available the marked-up slides.** I have chosen this route of lecture-note delivery for two reasons.

1. The process of marking-up the slides slows me down. Trust me, this is a good thing.
2. I like to think that lecture attendance has benefits. Not providing the marked-up lecture notes is my little nudge towards increased attendance.

2.10 Tests and the Examination

The two term tests will comprise 46% of the course grade. The final examination will count for 40% of the course grade. They consist of a combination of short-answer and multiple-choice questions.

Your mark on a test or exam (i.e., what is reported on the Portal) reflects any adjustments to the raw scores such as adding points to everyone’s score or not counting an unduly difficult/confusing question. Your mark, not your raw score, best reflects the quality of your submitted work.

For the exam, each student taking ECO101 this semester—regardless of instructor—answers the same set of multiple choice questions covering core material common to all sections. The other half of your exam will be a set short-answer questions for students in Gazzale sections.

2.10.1 Evaluations: What’s on the test?

While the final examination is cumulative, term tests are not. (**Caveat:** Economics is cumulative, so in covering current material, there will most surely be questions that use concepts, definitions, etc. from previous tests.)

If a concept, skill, or topic is addressed in lectures, required readings, or tutorials, it is testable.

N.B. My choosing to devote scarce lecture time to a topic or concept is a good indication I find it important. Things I find important have a nasty habit of appearing on tests and exams. While this set of facts **in no way** rules out the inclusion of material not covered in lectures, it may be helpful in prioritizing your preparation.

2.10.2 Evaluations: Marking and Appeals

If **after** reviewing the test solutions you believe your test was incorrectly graded, you may request remarking. Requests for remarking must:

1. be made in writing and submitted in person to the me (Prof. Gazzale). Requests will only be accepted by paper (i.e., not by email);
2. explain precisely WHY more points are justified for each disputed question; and
3. be submitted within two weeks of the date on which tests were returned.

The entire test will be remarked: your mark can go up, down, or remain unchanged.

2.10.3 Evaluations: Make-Up Test

Students missing a term test for an approved, certified medical reason (see section 2.10.4), or other approved cause, will be permitted to write a **comprehensive** (i.e., **cumulative**) make-up test towards the end of the term. Students who do not qualify for writing the make-up test will receive a grade of zero for the missed test. **This make-up test may only replace one missed term test.**

N.B. Students who miss the final exam must petition the Faculty of Arts and Science for permission to write a deferred examination in the summer.

Make-up details: Friday, December 1 from 9:00 to 11:00 AM, EX 320.

2.10.4 Evaluations: Medical Certificates

If you are unable to write a test for a medical reason, all of the following must be satisfied in order for you to be permitted to write the make-up test.

- You must email the me (Prof. Gazzale) *no later* than the end of the day of the test, indicating that you will not be writing the test due to illness.
- You must submit within **one week of the missed test**, either in class or during normal office hours, the official University of Toronto's *Verification of Student Illness or Injury*, fully completed by a Physician, Surgeon, Nurse Practitioner, Registered Psychologist or Dentist.
- The practitioner must have assessed you no later than the day of the missed test.
- The note must confirm that in the the practitioner's professional opinion, you were unable to write the test on the exact date of the test.

2.11 Final Grades

Here is an official statement about final grades that assures all of you that they will be fairly awarded across sections:

- Historically, the average grade across all sections of Economics 100/101/102 is C+;
- The average grade in each section of ECO101 will vary to reflect the relative performance of students in that section on the common part of the ECO101 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 ECO101, 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.

2.12 Getting Assistance

Instructor Office Hours My office hours are listed on page 1. I assure you that I am a pretty nice guy, at least by New York City standards.

TA Office Hours Each week, course TAs will hold drop-in office hours. Hours and locations are posted on the Portal.

Tutorials Always a good bet.

The Economics Study Centre Located in Gluskin 110 (150 St. George Street), the Economics Study Centre is staffed by third and fourth-year undergraduate students (peer mentors) who assist students on a one-to-one basis or in study groups. Starting in the beginning of October, mentors are available Monday through Friday. This is a drop-in centre, students do not need to book an appointment. See <http://www.economics.utoronto.ca/index.php/index/undergraduate/load/studyCentre> for further details.

Study Groups Many find it beneficial to work on problems in small groups.

Piazza Piazza is an electronic discussion board through which students engage with each other by posting and responding to questions related to course materials. Piazza provides the opportunity for all students to become participants in class discussions. The discussions are regularly monitored by TAs and the instructor. You can sign-up for Piazza through the class Blackboard page, where more detailed instructions are provided. Piazza is the appropriate forum for posting questions pertaining to course content, administration, or economic ideas more generally.

2.13 Communication

The TAs and I will make important announcements in lectures and tutorials, on the Portal, or via e-mail to the class. We obtain your UofT e-mail address from the Portal. I expect you to check your UofT email and the Portal regularly.

Email is **not** an appropriate forum for discussing course materials or asking questions about course content. As such, the use of email should be restricted to private matters, or to notify me of a course problem (e.g., broken link, typo, TA issues, etc.).

- For e-mails asking for a reply, if I can answer briefly without explaining course content or revealing something of general interest, then I will reply within three business days.
- All email should originate from your UofT email address, and include “ECO101, L0301” or “ECO101, L0401” in the subject field. The email must also have your name and student number.
- For any question that would interest other people (e.g. a question about an upcoming test, a course concept, etc.), you must post on Piazza (described above).
- If you receive no reply to your e-mail, check announcements, review the syllabus, post on Piazza, or see me or your TA in office hours or class.

3 SCHEDULE

Any modifications to the schedule will be widely announced.

	Day	Date	Topic	Reading	Quiz Due	Tutorial Week
0	Fri	8-Sep	Introduction			
1	Mon	11-Sep	Thinking Like an Economist	1 & 9		
2	Wed	13-Sep	Gains From Trade	2, 2a & 8		
3	Fri	15-Sep				
4	Mon	18-Sep	Supply & Demand	3 & 3a; Handout	✓	✓
5	Wed	20-Sep				
6	Mon	25-Sep	Elasticity	6 & 6a	✓	✓
7	Wed	27-Sep	Surplus	4; Handout		
8	Mon	2-Oct			✓	✓
9	Wed	4-Oct	Interventions I (Price Controls)	5		
	Mon	9-Oct	No lecture but ...		✓	✓
10	Wed	11-Oct	Interventions II (Taxes)	7		
	Fri	13-Oct	TERM TEST			
11	Mon	16-Oct	Firm Costs	11; Handout		✓
12	Wed	18-Oct	Perfect Competition & Supply	12		
13	Mon	23-Oct			✓	✓
14	Wed	25-Oct	Monopoly	13		
15	Mon	30-Oct	Price Discrimination	Handout	✓	✓
16	Wed	1-Nov				
17	Mon	13-Nov	Strategic Interactions	14	✓	✓
18	Wed	15-Nov	Oligopoly	14; Handout		
19	Mon	20-Nov			✓	✓
20	Wed	22-Nov	Externalities	16		
	Fri	24-Nov	TERM TEST			
21	Mon	27-Nov	Information	Handout		✓
22	Wed	29-Nov	Labour Markets	19		
23	Mon	4-Dec			✓	Special
24	Wed	6-Dec	Public Goods	17		
	Thu	7-Dec	No lecture.			

4 TEXTBOOK READING GUIDE

Yes indeed, there are a lot of textbook pages! In allocating your scarce resource of time, a good first rule is to focus on things I focus on. That is, topics and ideas I find interesting and important are things I cover in lectures, problem sets and solved problems, and topics and ideas I find interesting and important tend to come to mind when I am writing tests and exams. The following guide might prove helpful as well.

Ch 1 Read whole chapter for comprehension.

Ch 2 Focus on pages 25–37; 40–41.

Ch 2a Math required in course. Review as needed.

Ch 3 Entire chapter is core.

Ch 3a Entire chapter is core.

Ch 4 Entire chapter is core.

Ch 5 Focus on pages 137–155 (price controls).

Ch 6 Entire chapter is core.

Ch 6a Entire chapter is core.

Ch 7 Focus on pages 199–216.

Ch 8 Focus on pages 233–238.

Ch 9 Focus on pages 265–282.

Ch 11 Entire chapter is core.

Ch 12 Entire chapter is core.

Ch 13 Entire chapter is core.

Ch 14 Entire chapter is core.

Ch 16 Entire chapter is core.

Ch 17 Focus on pages 515–525 (public goods).

Ch 19 Entire chapter is core.