

University of Toronto
Department of Economics
ECO100Y L0401: Principles of Economics
Fall/Winter, 2015/2016
BT101: T 2-4PM, F 10-11AM

Kieran Furlong: k.furlong@utoronto.ca
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. 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 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

ECO100Y, L0401: Fall/Winter, 2015/2016
LECTURE AND READING SCHEDULE

September	15	Introduction Basic Definitions: Chapter 2 and Appendix Chapter 1
	18	Production Possibilities Curves. Ch.1, particularly 4-9 Problem Set: Production Possibilities
September	22	Demand: Ch. 3, 55-64 Shifts in Demand
	25	Supply, 64-68 Problem Set: Demand and Supply
September	29	Equilibrium Price and Quantity. Ch. 3, 68-77 Government Price Controls. Ch. 5, 98-113
October	2	Government Price Controls: Ch.14: 346-348 Problem Set: Market Equilibrium and Price Controls
October	6	Elasticity Ch. 4, 81-90 Elasticity: Ch. 4, 95-98
	9	Elasticity and Tax: Ch. 4, 92-95 Problem Set: Elasticity and Per Unit Taxes
October	13	Consumer Choice: Budget Lines. Ch. 6 Appendix, 143-44 Consumer Choice: Indifference Curves. Ch. 6 Appendix, 145-47
.	16	Consumer Equilibrium and Derivation of Demand Ch. 6 Appendix, 148-50 Problem Set: Consumer Choice
October	20	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	27	Short-run Cost. Ch. 7, 166-170 Short-run Cost. Ch. 7, 170-173
	30	Short-run Competitive Equilibrium: Ch. 9, 200-214 Problem Set: Short-run Cost
November	3	Short-run Competitive Equilibrium: Ch. 9, 200-214 Changes in Short-run Competitive Equilibrium: Ch. 9
	6	Changes in Short-run Competitive Equilibrium: Ch. 9 Problem Set: Short-run Competitive Equilibrium
November	13	Long-run Cost. Ch. 8, 177-185 Competitive Long-Run Equilibrium. Ch. 9, 215-220
November	17	Changes in Competitive Long-Run Equilibrium. Ch. 9, 215-220 Problem Set: Long-run Equilibrium
	20	Monopoly: Marginal Revenue and Profit Maximization. Ch. 10, 227-230
November	24	Natural Monopolies and Cartels: Ch. 10, 237-241 Problem Set: Monopoly
	27	Economic Efficiency. Ch.5: 113-120
December	1	Efficiency: Competition versus Monopoly. Ch. 12: 281-296 Externalities. Ch. 16, 391-397; Ch. 17, 418-423; Ch. 18: 454-457 Problem Set: Efficiency
December	4	Externalities. Ch. 16, 391-397; Ch. 17, 418-423; Ch. 18: 454-457
December	8	Gains from Trade. Ch. 34: 875-876

ECO100Y, L0401: Fall/Winter, 2015/2016

January	12	Comparative Advantage. Ch. 33, 843-855
	15	Comparative Advantage (continued). Ch. 33, 843-855
		Problem Set: Comparative Advantage
		MACROECONOMICS
January	19	Business Cycles. Ch. 19, 475-484
		Unemployment. Ch. 31
January	22	MIDTERM: 9:00 – 11:00 PM (Micro plus Comparative Advantage)
January	26	Price Indices and Inflation. Ch. 19, 484-493; Ch. 20: 509-511
		Problem Set: Price Indices and Unemployment
	29	Gross Domestic Product (GDP). Ch. 20, 498-499
February	2	Gross Domestic Product (GDP) continued. Ch. 20, 498-499
		National Accounts: Expenditure. Ch. 20, 500-508
	5	National Accounts: Income. Ch. 20, 510-513
		Problem Set: National Accounts
February	9	Aggregate Expenditure (AE): Consumption (C). Ch. 21, 518-527
		AE: C + I (Investment) and Y (GDP) Equilibrium. Ch. 21, 527-542
	12	Equilibrium: $C + I + G + X - IM = Y$ Ch. 22. 547-562; Appendix
		Problem Set: Consumption/Investment
February	23	Equilibrium: $AE = Y$ & Multipliers. Ch. 22. 547-562; Appendix
		Government Deficits. Ch. 32: 819-825
	26	Money and Banking. Ch. 27, 672-679
		Problem Set: MacroModel
March	1	Money Supply. Ch. 27, 679-695
		Money Supply: Bank of Canada. Ch. 27, 679-695
	4	Money Demand. Ch. 15: 360-364; Ch. 28: 701-710
		Problem Set: Money Supply
March	8	Equilibrium Money and Interest Rate. Ch. 28, 710-714
	11	Bank of Canada and Monetary Policy. Ch. 29, 729-744
		Marginal Efficiency of Investment
		Problem Set: Money Demand/Supply and Equilibrium
March	15	Money and GDP Equilibrium. Ch. 15: 364-368
		Monetary and Fiscal Policy: Crowding Out
	18	Aggregate Demand. Ch. 23, 570-575
		Problem Set: Money and GDP Equilibrium
March	22	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	25	No Class (Good Friday)
March	29	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	5	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	NO CLASS: Make-up Exam 10:00AM – 11:30 AM