

University of Toronto  
Department of Economics

**ECONOMICS ECO105Y**  
**Introduction to Economics for Non-Specialists**

**Fall 2014 / Winter 2015**

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email is most reliable for personal issues only – I will respond within 36 hours  
[I don't do Facebook]

## INTRODUCTION

"The Theory of Economics does not furnish a body of settled conclusions immediately applicable to policy. It is a method rather than a doctrine, an apparatus of the mind, a technique of thinking which helps its possessor to draw correct conclusions." – John Maynard Keynes

The ECO105Y course introduces microeconomics and macroeconomics as the basis for making smart choices in life as consumers, businesspeople, investors and informed citizens judging government policies. Microeconomics focuses on cost/benefit analysis of all decisions. Topics include gains from trade, how prices coordinate choices, the roles of competition and monopoly, efficiency/equity tradeoffs, government versus market failures, environmental policies, and income/wealth distributions. Macroeconomics focuses on the performance of market economies – measured by GDP growth, unemployment, inflation – and appropriate roles for government monetary and fiscal policies. Topics include GDP, economic growth, business cycles, unemployment, inflation, money and the Bank of Canada, exchange rates, government deficits, the national debt, globalization and trade policy.

Provides intuitive fundamentals for economic literacy without the mathematical details of ECO100Y. Students who intend to complete a minor, major, or specialist program in Economics are advised to take ECO100Y. However, students can pursue a minor or major program (but not specialist) in Economics with an 80% in ECO105Y.

## REQUIRED COURSE MATERIALS

Textbook purchases are a bit messy this year, as the 2<sup>nd</sup> editions of both micro and macro textbooks are being released in December. ECO105Y this year will use 1<sup>st</sup> edition micro and 2<sup>nd</sup> edition macro.

**(Micro) Economics for Life: Smart Choices for You**, 1<sup>st</sup> edition, by A. Cohen and I. Howe (Pearson, 2010)

**(Macro) Economics for Life: Smart Choices for All?**, 2<sup>nd</sup> edition, by A. Cohen (Pearson, 2015)

**MyEconLab (MEL)** (Pearson 2011, 2015)

**peerScholar.ca** (free for UofT students)

- A bundled *Economics for Life* (micro+macro 1<sup>st</sup> edition print textbooks) + *MyEconLab* package is available in the UofT bookstore (ISBN 0132169029) for \$170. This package *includes* an upgrade to the 2<sup>nd</sup> edition of both online micro and macro eTexts (and *MyEconLab*) when they become available. Also, if you scan your bookstore receipt with your UTOR ID and send it now to [claire.varley@pearsoned.com](mailto:claire.varley@pearsoned.com), in December you will receive a free copy of the print macro 2<sup>nd</sup> edition textbook. Do NOT lose that receipt. Without it, no free print 2<sup>nd</sup> edition macro textbook.

- A bundled micro only (*Micro*)*Economics for Life* (micro 1<sup>st</sup> edition print textbook) + *MyEconLab* package is available in the UofT bookstore (ISBN 032169418X) for \$84.
- A bundled macro only (*Macro*)*Economics for Life* (macro 2<sup>nd</sup> edition print textbook) + *MyEconLab* package will be available in the UofT bookstore in December (ISBN 0134005643) for \$110.
- At [www.pearsonmylab.com](http://www.pearsonmylab.com), if you enter course ID **cohen46407**, you will see online purchase options. You can buy 12 month access to an eText of both 1<sup>st</sup> edition textbooks with *MyEconLab* for \$90. If you buy used print textbooks, *MyEconLab* access alone (no eText) is available for \$40 for 1<sup>st</sup> edition micro+macro. You can also get free 17 day access to all 1<sup>st</sup> edition *Economics for Life* online resources so you can get started on coursework while you decide on your purchase.

A calculator is not required and is **not allowed** at tests and the exam.

Any additional required readings will be posted to the course website.

## FINAL GRADE

Your final course grade will be based on 10 on-line quizzes in *MyEconLab* collectively worth 15%; your best 3 marks from the 4 non-cumulative term tests worth 15% each (collectively 45%), a 1-2 page writing assignment in the form of a newspaper op-ed piece worth 15%, and a cumulative final exam worth 25%. The writing assignment will use peerScholar and TurnItIn <http://www.teaching.utoronto.ca/teaching/academicintegrity/turnitin.htm>.

The breakdown with the specific marks used in calculating your final course numerical average is below.

<u>Task</u>	<u>% of Course Grade</u>	<u>Date</u>	<u>Marks</u>
<i>MyEconLab</i> Quizzes	15%	<i>Throughout academic year</i>	90
Test 1	15% (8-10 am, 65 minutes)	Monday, 20 October 2014	90
Test 2	15% (8-10 am, 65 minutes)	Wednesday, 3 December 2014	90
Test 3	15% (8-10 am, 65 minutes)	Monday, 9 February 2015	90
Test 4	15% (8-10 am, 65 minutes)	Monday, 23 March 2015	90
Writing Assignment	15%	Staggered dates, March 2015	90
Final Exam	25% (2 hours)	April 8 - 30, 2015	150
<b>Totals</b>	<b>100%</b>		<b>600</b>

## MAKE-UP POLICY

No permission is **ever** given to a student to write a test or exam in advance of its scheduled date. Students missing one term test for religious, medical or emergency reasons will have their other three tests count as their “best 3 out of 4” in calculating their course average. No documentation is required for one missed test. **Missing more than one term test results in a grade of zero for the second missed test unless you provide a fully completed University of Toronto Medical Certificate showing a physical incapability of writing the test (dated the day of the test or earlier) within one week of the second missed test.** No other medical documentation is acceptable. With an acceptable University of Toronto Medical Certificate, you will be allow to write a make-up test on Monday, 30 March 2015 during normal class time. The make-up test will cover the material on all 4 term tests. The make-up test is only for students who miss a second test and provide acceptable documentation. **No** student is ever allowed to write a make-up test in order to improve a score from an original test.

## COURSE WEBSITE AND *MyEconLab*

You can access the course website and *MyEconLab* at <http://pearsonmylab.com>. You will need a valid **Pearson access code** that either came with your purchased textbook, or that you bought online. Use that access code to get to the ECO105Y Fall 2014 (Cohen) website by following the instructions below.

## How To Enroll in ECO105Y Website and *MyEconLab*

Go to <http://pearsonmylab.com>

Under Register, click Student

Enter your Course ID: **cohen46407**, and click Continue

Unless you already have a Pearson Account, select 'Create a Pearson account'

On the *Register/Create an Account* page,

- Enter the email address you use most, and also use that email address as your username;
- Choose a password;
- Where it asks for First Name, enter whatever name you generally use, but if it is different from the first name on your UTORid, **ALSO enter in parentheses your (first name exactly as it appears on your UTORid) – for example, Arthur (Ziyue)**;
- Enter your Last Name **exactly as it appears on your UTORid**;
- Complete the rest of the page.

On the *Register/Select an Option* page, select the "Access Code" blue box.

On the *Register/Access Code* page, enter the access code from your textbook/online purchase, and follow the remaining steps.

For subsequent visits to the course website, please log into <http://pearsonmylab.com> as a returning user with the username/password you just created.

**The website will be available by Saturday 6 September 2014.**

## Technical Support

Detailed instructions on navigating the course are available from the 'Help & Support' links at the top right of every webpage. Once in 'Help & Support,' click on 'Student Help.'

The **Tech Help** tab on the main course menu also contains 24/7 contact information for Pearson. Go to <http://247pearsoned.custhelp.com/> which has live chat, or call 800 677-6337 between noon and 8 pm, EST.

If you have technical problems, **I cannot help**. Contact Pearson.

## Discussion Forums

All questions about course content (economics) should be posted to the online Discussion Forums. These forums are moderated by the TAs, but often a classmate will provide a correct answer more quickly. Post questions, responses, comments about any course material -- lectures, textbook, study guide, *MyEconLab*, media stories, etc. All new postings/threads require a subject line. **To receive a response from a TA or from me, the first word in your subject line must be your TA's name**. Then add a descriptive subject. For example: charles - opportunity cost. Your TA is responsible for responding (if another student hasn't already answered your question) to all posts from his/her assigned students. I will jump in after the TAs if I think I have something to add. **I will not discuss individual content question by email** unless your posted question has not been answered satisfactorily on the discussion board. There are 500 of you, and 1 of me.

## COURSE WORK

Lectures are on Mondays, 8:10 – 10:00 am. I tried to arrange coffee service for you all but was refused. I will only use the Friday 11 am time to make up missed lecture time from term tests, for review before term tests, to review test answers, or because I was absent on a Monday. Already scheduled Friday 11 am lectures are listed on the lecture schedule.

Please silence all cell phones before entering the lecture hall. I would appreciate it if you would not text in class – I find it very hard to concentrate and deliver good lectures when I face texting students. Lecture notes (in the form of PowerPoint slides) will be available by midnight the night before class on the course website (<http://pearsonmylab.com>). You should print out the lecture notes and bring them to class, as the pace of lectures will presume you have the notes in front of you. You should login to the website at least twice a week to stay current with course information.

The term tests and final exam consist of true/false (T/F) and multiple choice (MC) questions and short answer problems (SAP). These will be similar to the questions in the **MyEconLab and Study Guide Assignments** on the course outline for each textbook chapter. Last year's term tests, exam and answer guides are posted online so you have an idea what to expect. If you want additional practice, there are also **Optional Assignments** for *MyEconLab* and the Study Guide listed for each chapter on the course website. None of these assignments will be graded and will not directly affect your grade. However, the importance of doing the assigned questions cannot be overemphasized. Next to attending and understanding the lectures, working out the answers to the assigned questions is the most important preparation for the term tests and exam. You will not do well if you cannot answer the assigned questions. **The term tests and exam will also cover news stories and other non-textbook material covered in lecture.**

One of the dangers of a course where you do not have written, graded assignments is that you may fall behind in your reading and studying. In most university courses, but in Economics in particular, falling behind is a recipe for disaster, as last minute cramming does not work. The failure rate on first term tests in Economics is typically high because students do not take this advice. To help prevent this outcome, I will have online quizzes throughout the term that must be completed by specific dates.

The first quiz, **Quiz Zero**, appears on the course website and is designed to ensure that you are familiar with all of the rules of this course. All of the answers to the questions in Quiz Zero may be found in this course outline. You may take Quiz Zero as many times as necessary until you get all questions right. While you will not receive any marks towards your final course grade, you will not be able to access the graded quizzes until you complete Quiz Zero with a perfect score. Once you complete Quiz Zero with a perfect score, the excuse of "I didn't know that rule for make-ups / missed quizzes / test times / appeals, etc" will, of course, not apply to you. Quiz Zero will also help you get familiar with *MyEconLab*.

You will have at least 1 week to complete each of the 10 graded quizzes, and they can be accessed from any computer with an internet connection, anywhere in the world. Accordingly, **I do not accept any excuses for missing a quiz.**

Read the **How to Succeed** page on the website for advice on studying if you want to increase your chances of earning a higher grade. Another tip is to be sure to attend lectures. One of the most common mistakes students make is to think that because the PowerPoint lecture notes are available online, there is no reason to attend lectures. The notes contain the main concepts, but do *not* contain the detailed explanations and examples that help you make sense of the concepts. **I will be adding simple graphs in lecture that are not in the micro textbook, so lectures are your only opportunity to hear detailed explanations of the graphs. I will also assign practice quizzes involving graphs.** The tests and exam focus less on recall of information, and more on application of concepts to different situations. That is also why working the practice problems in the **Assignments** and old tests is important. **Tests and exam will include graph questions.**

The lecture schedule on pages 6-7 indicates, for each week, the textbook chapters you should be reading and the *MyEconLab* and Study Guide Assignments. I may not always finish a topic on the listed date, in which case I will continue lecturing on that topic at the start of the next class, before moving on to the listed topic for that date.

## LECTURE RECORDINGS

All lectures will be digitally captured and available for viewing within 12 hours. I will provide details in class.

Despite the option to view the lectures online (term tests and the final exam must be written in person), I strongly recommend that you attend class to benefit from the interactions and ability to ask questions. Read the summary below of a research study, "The impact of online lecture recordings on student performance," by Andrew Williams, Elisa Birch and Phil Hancock, *Australasian Journal of Educational Technology* 2012, 28(2), 199-213.

The use of online lecture recordings as a supplement to physical lectures is an increasingly popular tool at many universities. This paper combines survey data with student record data for students in a Microeconomics Principles class to examine the relative effects of lecture attendance and online lecture recordings. The main finding is that students using the online lectures as a substitute for attending lectures are ultimately at a fairly severe disadvantage in terms of their final marks. Moreover, students attending few face to face lectures do not close this gap by viewing more lectures online. In contrast to this, students who attend the majority of lectures in person do receive a benefit from additional use of the lecture recordings. The results provide empirical evidence that, when used as a complementary tool, lecture recordings are a valuable supplement for students. However, when used as a substitute to attending lectures, lecture recordings provide no additional benefit.

## ACADMIC HONESTY

Students should note that copying, plagiarizing, or other forms of academic misconduct will not be tolerated. Any student caught engaging in such activities will be subject to academic discipline ranging from a mark of zero on the assignment, test or examination to dismissal from the university as outlined in the academic handbook. Any student abetting or otherwise assisting in such misconduct will also be subject to academic penalties.

Cheating and plagiarism are serious offences, which carry severe penalties. All students are expected to make themselves familiar with the Code of Behaviour on Academic Matters, which is at <http://life.utoronto.ca/get-smarter/academic-honesty.htm>.

Requests for re-grading of term tests must be submitted, in writing, to the instructor within 10 days of the date the test is returned. After that time, original grades will not be changed. These requests should formally justify where additional consideration is warranted according to the printed answer guide. Re-grading involves a reevaluation of the entire test and may raise or lower the original score. Tests written in pencil cannot be submitted for re-grading. I personally review all re-graded tests.

## TUTORIALS and TEACHING ASSISTANTS

There are **no** tutorials for this course. Teaching Assistants will hold regular office hours, which will be announced later in September. Every TA will be assigned a group of students for which s/he is responsible for answering questions posted on the Discussion Forum. During office hours, you may see your assigned TA or any other TA for help.

The student-run Economics Study Center in Room 110, 150 St George 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 study groups.

## LET'S GO

If you don't learn a lot of Economics, or find this course interesting or enjoyable, then I'm not doing my job. I love teaching this course, and consider it my responsibility to help you to do well. Learning Economics means working hard. But if you are willing to put in the time, I will do everything I can to help you succeed. If you have questions in lecture, ask them. If you see media stories about Economics that interest you, send them to me. If you have suggestions for improving the course, please let me know. What you will get out of this course, as what you will get out of your University experience in general, depends entirely on what you put into it.

**LECTURE SCHEDULE AND ASSIGNMENTS****Fall 2014 ECO105Y**

WEEK OF	TOPIC	READING ASSIGNMENTS	MEL & STUDY GUIDE (MC, SAP) ASSIGNMENTS	FRIDAY 11 AM CLASSES
Sept. 8	What's in Economics for You?: Scarcity, Opportunity Cost, Trade	Micro Ch. 1	Get to know MEL Do Quiz Zero	
Sept. 15	Specialization and Trade: The Division of Labour, Comparative Advantage		Ch. 1: MEL Study Plan T/F & MC All SAP 4-9	
Sept. 22	Making Smart Choices: The Law of Demand	Micro Ch. 2	Ch. 2: MEL Study Plan T/F & MC All SAP 2-10	
Sept. 29	Show Me the Money: The Law of Supply	Micro Ch. 3	Ch. 3: MEL Study Plan T/F & MC All SAP 1-9	
Oct. 6	Coordinating Smart Choices: Demand and Supply	Micro Ch. 4	Ch. 4: MEL Study Plan T/F & MC All SAP 2-4, 9-10	Q&A Test Prep Friday 17 Oct
Oct. 13	No class – Thanksgiving			
Oct. 20	<b>TEST 1 – Monday 20 October</b>			
Oct. 27	What Gives When Prices Don't?: Government Choices, Markets, Efficiency, Equity	Micro Ch. 5	Ch. 5: MEL Study Plan T/F & MC All SAP 2-4, 8-10	Test 1 Review Friday 31 Oct
Nov. 3	Finding the Bottom Line: Opportunity Costs, Economic Profits/Losses, Miracle of Markets;	Micro Ch. 6	Ch. 6: MEL Study Plan T/F & MC All SAP 1-7	
Nov. 10	The Power to Price: Monopoly and Competition	Micro Ch. 7	Ch. 7: MEL Study Plan T/F & MC All SAP 1-2, 4-9	
Nov. 17	No class – Fall break			
Nov. 24	Pricing for Profits: Marginal Revenue and Marginal Cost	Micro Ch. 8	Ch. 8: MEL Study Plan T/F & MC All SAP 1-6, 8-10	Q&A Test Prep Friday 28 Nov
Dec. 1	Monopoly Rules: Government Regulation, Competition, the Law	Micro Ch. 9	Ch. 9: MEL Study Plan T/F & MC All SAP 3-10	
Dec. 3	<b>TEST 2 – Wednesday 3 December (counts as a UoFT Monday)</b>			

**LECTURE SCHEDULE AND ASSIGNMENTS**  
**Winter 2015 ECO105Y**

WEEK OF	TOPIC	READING ASSIGNMENTS	MEL & STUDY GUIDE (MC, SAP) ASSIGNMENTS	FRIDAY 11 AM CLASSES
Jan. 5	Acid Rain on Others' Parades: Externalities, Carbon Taxes, Free Riders and Public Goods;  What Are You Worth?: Demand and Supply in Input Markets, Income & Wealth Distributions	Micro Chs. 10, 11	Ch. 10: MEL Study Plan T/F & MC All SAP 1-9 Ch. 11: MEL Study Plan MC All SAP 2-4, 7-10c	Test 2 Review Friday 9 Jan
Jan. 12	Are Your Smart Choices Smart for All?: Macroeconomics and Microeconomics	Macro 2 <sup>nd</sup> ed. Ch. 05	Ch. 05: MEL Study Plan T/F & MC All	
Jan. 19	Up Around the Circular Flow: GDP, Economic Growth, Business Cycles	Macro 2 <sup>nd</sup> ed. Ch. 06	Ch. 06: MEL Study Plan T/F & MC All	
Jan. 26	Costs of (Not) Working and Living: Unemployment and Inflation	Macro 2 <sup>nd</sup> ed. Ch. 07	Ch. 07: MEL Study Plan T/F & MC All	
Feb. 2	Skating to Where the Puck is Going: Aggregate Supply and Aggregate Demand	Macro 2 <sup>nd</sup> ed. Ch. 08	Ch. 08: MEL Study Plan T/F & MC All	Q&A Test Prep 6 Feb
Feb. 9	<b>TEST 3 – Monday 9 February</b>			
Feb. 16	No class – Reading week			
Feb. 23	Money is for Lunatics: Demanders and Suppliers of Money	Macro 2 <sup>nd</sup> ed. Ch. 09	Ch. 09: MEL Study Plan T/F & MC All	Test 3 Review Friday 27 Feb
Mar. 2	Trading Dollars for Dollars?: Exchange Rates and Payments with the Rest of the World	Macro 2 <sup>nd</sup> ed. Ch. 10	Ch. 10: MEL Study Plan T/F & MC All	
Mar. 9	Steering Blindly?: Monetary Policy and the Bank of Canada	Macro 2 <sup>nd</sup> ed. Ch. 11	Ch. 11: MEL Study Plan T/F & MC All	
Mar. 16	Spending Others' Money: Fiscal Policy, Deficits, National Debt	Macro 2 <sup>nd</sup> ed. Ch. 12	Ch. 12: MEL Study Plan T/F & MC All	Q&A Test Prep Friday 20 Mar
Mar. 23	<b>TEST 4 – Monday 23 March</b>			
Mar. 30	Are Sweatshops All Bad? Globalization and Trade Policy	Macro 2 <sup>nd</sup> ed. Ch. 13	Ch. 13: MEL Study Plan T/F & MC All	
<b>FINAL EXAM – APRIL 8 – 30, 2015</b>				