

**York University**  
**Faculty of Liberal Arts & Professional Studies**  
**Department of Economics**  
**Fall 2021**

**Course # and Title**

AP/ECON 3240 A Labour Economics: Theory

**Course Webpage**

<https://eclass.yorku.ca/>

**Course Instructor/Contact**

Name: Laura Salisbury  
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**Lecture Time and Location**

Time: W 11:30-2:30  
Location: Zoom

**Prerequisite / Co-requisite**

Prerequisites: AP/ECON 1000 3.00 and AP/ECON 1010 3.00 or equivalents. Course credit exclusions: AP/ECON 3249 3.00, GL/ECON 3540 3.00. PRIOR TO FALL 2009: Course credit exclusions: AK/ECON 3610 3.00, AS/ECON 3240 3.00, AS/ECON 3249 3.00, GL/ECON 3550 3.00.

**Course Description**

Applies economic theory to labour markets. Topics include labour force participation, demand for and supply of labour, the effects of market structure on wages and employment, investment in education and training, worker mobility, theories of discrimination in the labour market, and unemployment.

**Weighting of Course**

Course grades will be based on quizzes, a midterm exam and a final exam. Your grade will be calculated as the **greater** of the following: (1) 10% for quizzes, 30% for the midterm, and 60% for the final; (2) 10% for quizzes and 90% for the final. The midterm will be held on **November 3<sup>rd</sup>** during class time. The date of the final exam is TBD.

## **Missed exams/Tests**

A student who misses the midterm exam will have ONE opportunity to write a make-up midterm the following week. A student who misses the make-up midterm date will receive a grade of zero, and the weight from the midterm will be transferred to the final exam. A deferral for the final exam will be granted **only for medical reasons**. In such cases students should submit a deferred exam application together with the supporting documents (attending physician's statement) to the economics department to my attention. The date and time of the deferred exam will be set at a later date. Students who may require further extensions or accommodation will have to submit a formal petition to the Faculty.

## **Grading**

The grading scheme for the course conforms to the 9-point grading system used in undergraduate programs at York (e.g., A+ = 9, A = 8, B+ = 7, C+ = 5, etc.). Tests will bear either a letter grade designation or a corresponding number grade (e.g. A+ = 90 to 100, A = 80 to 90, B+ = 75 to 79, etc.) I reserve the right to make adjustments to this grading scheme if necessary.

## **Course Text / Readings**

The text for the course is **Benjamin, Gunderson, Lemieux, and Riddell, *Labour Market Economics*, 9<sup>th</sup> edition** (abbreviated BGLR below). Secondary readings are listed in the course schedule below and will be linked from the course website.

## **Assignments**

Assignments will be posted on the course website. These assignments will not be graded; however, you are very strongly encouraged to work through them. They are intended to be practice for the midterms and final exam.

## **Important Course Information for Students**

All students are expected to familiarize themselves with the following information, available on the Senate Committee on Curriculum & Academic Standards webpage;

<http://www.yorku.ca/secretariat/policies/index-policies.html/>

- York's Academic Honesty Policy and Procedures/Academic Integrity Website
- Ethics Review Process for research involving human participants
- Course requirement accommodation for students with disabilities, including physical, medical, systemic, learning and psychiatric disabilities
- Student Conduct Standards
- Religious Observance Accommodation

### Course Outline and Approximate Schedule

Dates	Topics	Supplementary Reading
Sept 8	Introduction	BGLR ch 1
Sept 15	Labour Supply – basic theory	BGLR ch 2
Sept 22	Labour Supply -- applications - public policy - labour supply over the life cycle	BGLR ch 3 & 4 Papers: - Eissa, N and JB Liebman (1996), "Labor Supply Response to the Earned Income Tax Credit," <i>Quarterly Journal of Economics</i> , 111(2): 605-637 - Goldin, C and L Katz (2002), "The Power of the Pill: Oral Contraceptives and Women's Career and Marriage Decisions," <i>Journal of Political Economy</i> , 110(4): 730-770
Sept 29	Labour Demand	BGLR ch 5
Oct 6	Equilibrium in the Labour Market - competitive markets - monopoly & monopsony	BGLR ch 7 Paper: - Card, D and A Krueger (1994), "Minimum Wages and Employment: A Case Study of the Fast-Food Industry in New Jersey and Pennsylvania," <i>American Economic Review</i> , 84(4): 772-793
Oct 20	Human Capital	BGLR ch 9
Oct 27	Human Capital -- empirical challenges and applications	Papers: - Ashenfelter, O and A Krueger (1994), "Estimates of the Economic Return to Schooling from a New Sample of Twins," <i>American Economic Review</i> , 84(5): 1157-1173 Angrist, J and A Krueger (1991), "Does Compulsory School Attendance Affect Schooling and Earnings?" <i>Quarterly Journal of Economics</i> , 106(4): 979-1014
Nov 3	<b>Midterm</b>	
Nov 10	Economics of Immigration	BGLR ch 11 Paper: - Card, D (1990), "The Impact of the Mariel Boatlift on the Miami Labor Market," <i>Industrial and Labor Relations Review</i> , 43(2): 245-257
Nov 17	Race and Gender in the Labour Market	BGLR ch 12
Nov 24	Race and Gender in the Labour Market (cont'd) Unemployment	Paper: - Bertrand, M and S Mullainathan (2004), "Are Emily and Greg More Employable than Lakisha and Jamal? A Field Experiment on Labor Market Discrimination," <i>American Economic Review</i> , 94(4): 991-1013 BGLR ch 16
Dec 1	Unemployment cont'd Review	BGLR ch 17