York University
Department of Economics
Faculty of Liberal Arts and Professional Studies
AP/ECON 3240 3.0
Labour Economics: Theory
Fall 2026

Instructor	Professor Etienne Lalé
Office	Vari Hall 1130
Contact	Email: elale@yorku.ca Please indicate "ECON3240" in the subject line of the email.
Lecture hours	Wednesdays 11:30am - 2:30pm, at TBA (Keele Campus)
Office hours	Wednesdays 2:45pm - 3:45pm, by appointment
Course web page	https://sites.google.com/view/etiennelale/teaching/econ3240.html The course outline is posted on the above page. The YorkU eClass website will be used for posting announcements, lecture notes and solutions. Please consult it on a regular basis.
Teaching Assistance	TBA
Course Description	The purpose of this course is to introduce you to economic theory applied to labour markets. We cover a large range of topics that 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.
Textbook	The text for the course is Benjamin, Foley, Gunderson, Lemieux, Schirle, and Skuterud, Labour Market Economics, 2026 edition, McGraw Hill. Secondary readings are listed in the course schedule below and will be posted on the course website.

Evaluation

Midterm Exam 1: 1.25 hour on September 30, 2026.
Midterm Exam 2: 2 hours on November 4, 2026.
Final Exam: 2.25 hours, Fall exam period (December 10–23, 2026).

- The midterm exams will be held during class time. There will be no make-up exam for the midterms. For students that provide appropriate and timely documentation for missing a midterm, the weight will be transferred to the final exam.
- The final exam will be held at a date and location to be set by the Registrar's Office.
- A student who is absent from the final exam and requests deferred standing, must consult the Guidelines for Deferred Standing, available at: https://myacademicrecord.students.yorku.ca/deferred-standing. 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.
- Marking and grading to be discussed only in writing, if at all.

Grading scheme

Let $M_{\text{midterm}\,1}$ denote your mark on the first midterm, $M_{\text{midterm}\,2}$ your mark on the second midterm, and M_{final} your mark on the final exam. The M_{exam}'s are numbers between 0 and 100. The overall mark, or numerical grade, denoted W, is given by:

$$W = \frac{25}{100} M_{\text{midterm}\,1} + \frac{35}{100} M_{\text{midterm}\,2} + \frac{40}{100} M_{\text{final}}.$$

The letter grade, denoted as G, is given by:

$$G = \begin{cases} \text{A+} & \text{if } W \geq 95 \\ \text{A} & \text{if } W \in [85, 95) \\ \text{B+} & \text{if } W \in [75, 85) \\ \text{B} & \text{if } W \in [70, 75) \\ \text{C+} & \text{if } W \in [65, 70) \\ \text{C} & \text{if } W \in [55, 65) \\ \text{D+} & \text{if } W \in [50, 55) \\ \text{D} & \text{if } W \in [45, 50) \\ \text{E} & \text{if } W \in [40, 45) \\ \text{F} & \text{if } W < 40 \end{cases}.$$

Prerequisites

AP/ECON 1000 3.00 and AP/ECON 1010 3.00 or equivalents.

Course outline and tentative schedule

Date	Topic	Supplementary reading
Sep 9	Introduction	Textbook chap. 1
Sep 16	Labour supply - basic theory	Textbook chap. 3
Sep 23	Labour supply - applications	Textbook chap. 4 and 5 Eissa, Nada, and Jeffrey B. Liebman (1996). "Labor Supply Response to the Earned Income Tax Credit." *The Quarterly Journal of Economics*, vol. 111(2), pp. 605–637.
Sep 30	Midterm exam 1	
Oct 7	Labour demand	Textbook chap. 8
Oct 14	Reading week	
Oct 21	Competitive labour markets	Textbook chap 11
Oct 28	Imperfectly competitive labour markets	Textbook chap 12 Card, David and Alan Krueger (1994), "Minimum Wages and Employment: A Case Study of the Fast-Food Industry in New Jersey and Pennsylvania," *American Economic Review*, vol. 84(4), pp. 772-793
Nov 4	Midterm exam 2	
Nov 11	Human capital theory	Textbook chap 14
Nov 18	Economics of immigration	Textbook chap 17 Card, David (1990), "The Impact of the Mariel Boatlift on the Miami Labor Market," *Industrial and Labor Relations Review*, vol. 43(2), pp. 245-257
Nov 25	Job search theory	Textbook chap 19
Dec 2	Unemployment fluctuations	Blanchard, Olivier Jean, and Peter Diamond (1990). "The Cyclical Behavior of the Gross Flows of U.S. Workers." *Brookings Papers on Economic Activity*, vol. 21(2), pp. 85–156

Important course information

All students are expected to familiarize themselves with the following information, available on the Senate Committee web page (see https://www.yorku.ca/secretariat/policies/):

- Academic Honesty Policy and Procedures/Academic Integrity Website
- Course requirement accommodation for students with disabilities, including physical, medical, systemic, learning and psychiatric disabilities
- Student Conduct Standards
- Religious Observance Accommodation