

**Department of Economics
University of Toronto at Mississauga**

ECO361 – Labour Economics

Fall 2007/Winter 2008

Tuesday 9:10 to 11:00 in CC1140

Course Website: <https://ccnet3.utoronto.ca/20079/eco361y5y/>

Instructor:

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Office Hours: Tuesday 1:00 pm to 3:00 pm

Course summary and materials:

Summary:

This course brings both theory and evidence to bear on policy issues. Issues such as hours of work, participation, gender discrimination, education and the economic impact of unions are included.

Required:

Benjamin, D., Gunderson, M., Lemieux, T., and C. Riddell, Labour Market Economics, Toronto: McGraw-Hill Ryerson, 2002 (6th edition).

Required/Suggested:

Additional articles will occasionally be linked to the course website.

Prerequisites:

Exclusion: ECO239Y1/339Y1

Prerequisite: ECO200Y5/206Y5, 220Y5/227Y5/STA(250H1, 257H5)/STA(257H5, 261H5)/STA(257H5, 248H5/258H5)

Prerequisites are strictly checked and enforced and must be completed before taking a course. By taking this course you acknowledge that you will be removed from the course at anytime if you do not meet all requirements set by the Department of Economics. For further information you can consult the Undergraduate Academic Handbook which is found in the Economics Department Office, Kaneff Center Room 121. It can also be found in the 2007-2008 Courses Calendar, which is available from the Registrars Office.

Grading:

Grade Allocation

2 Term Exams: 20% each
4 Quizzes: 2% each
2 Problem Sets: 6% each
1 Final Exam: 40%

Grading Scheme

Exams: There will be three exams throughout the course: two term exams and one final exam. The two term exams will be held in class on November 20th and March 4th. These exams are non-cumulative and only cover the material since the last midterm. The final exam will be held during the final exam period in April and will be cumulative.

Quizzes: There will be 4 short quizzes held in class on October 2nd, October 23rd, January 29th, and March 25th. These quizzes will cover only recent material and are meant to prepare you for the more heavily weighted term exams. They will be coarsely graded on a three-point scale.

Problem Sets: There will be 2 problem sets that will consist of both theoretical exercises and exercises meant to facilitate your interpretation and understanding of empirical evidence presented in class. The due dates for the problem sets are November 13th and April 8th (absolutely strict).

Policy On Missed Tests And Late Problem Sets

University policy on missed material is as follows:

"Students who miss a term test will be assigned a mark of zero for that test unless they satisfy the following conditions: Students who miss a term test for reasons entirely beyond their control may, within one week of the missed test, submit to the instructor a written request for special consideration explaining the reason for missing the test, and attaching appropriate documentation, such as a medical certificate."

Term Exams

If an exam is missed due to illness and I receive a doctor's note within one week that states: (1) your name and student number and (2) that you were examined and *diagnosed* at the time of illness and on the day of the exam or immediately after (i.e. the next day), then the weight of the missed exam will be transferred to the final exam.

Note the following two university policies:

- (1) A statement from a physician that merely confirms a report of illness and/or disability made by the student is not acceptable.
- (2) A student who misses a term test cannot subsequently petition for late withdrawal from the course on the grounds that he or she has had no term work returned before the drop date.

Quizzes

If a quiz is missed, the above policy also applies. In this case, the weight of the quiz will be transferred to the remaining quizzes. For example, if you miss one quiz and supply me with a suitable doctor's note within one week, then the weight of each of the remaining quizzes will be 8/3%.

Problem Sets

Problem sets are due in class or handed in to me by 3:00pm in office hours on the day that they are due. Any problem set that is not in my hands by the end of the day is considered late and will not be accepted. It is always better to hand in a partially completed assignment on time than to receive a grade of zero. If you are ill on the due date then, with suitable documentation within one week, the percentage weight will be transferred to the remaining problem set.

Re-reads

Re-reads of the term exams or problem sets will be granted if the work is returned to me within one week of the date of its return to you. In addition to this, you must include in writing and with specificity, your question or concern with the grading. Please be advised that the marker may re-read and remark the entire exam. Any addition errors will, of course, be corrected.

Teaching Assistants:

The Teaching assistant will have one hour of "virtual" office hours a week. During these office hours, students may post questions on the bulletin board of the course website. The time slot for virtual office hours will be announced as soon as they are scheduled.

In-person office hours (my own and the TA's) will be augmented around exams and if they become otherwise excessively busy.

Academic misconduct:

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.

Course Outline:

1. Introduction (week 1): BGLR Chapter 1
2. Labour Supply (week 2 - 5)
 - a. The Labour Market Decision: BGLR Chapter 2
 - b. The Effects of Public Policy on Labour Supply: BGLR Chapter 3
 - c. Life Cycle Labour Supply: BGLR Chapter 4
3. Labour Demand (weeks 6 - 7)
 - a. Demand in Competitive Markets: BGLR Chapter 5,
 - b. Non-wage Benefits and Quasi-Fixed Costs: BGLR Chapter 6
4. Equilibrium (weeks 8 - 12):
 - a. Equilibrium under Different Market Structures: BGLR Chapter 7
 - b. Compensating Wage Differentials: BGLR Chapter 8
5. Education (weeks 13 -14): BGLR Chapter 9
6. Optimal Compensation Systems (week 15): BGLR Chapter 13
7. Gender and Ethnicity (weeks 16 -17): BGLR Chapter 12
8. Immigration (weeks 18 -19): BGLR Chapter 11
9. Unions (weeks 20 – 23):
 - a. Overview: BGLR Chapter 14
 - b. Employment: BGLR Chapter 15
 - c. Wage Outcomes: BGLR Chapter 16
10. Unemployment (weeks 23 - 26):
 - a. Overview: BGLR Chapter 17
 - b. Causes and Consequences: BGLR Chapter 18