

# **ECONOMICS 3D3**

## **Labour Economics**

Fall 2003  
Office Hours: Tues and Wed 10:30-11:30  
or by appointment

Martin Dooley  
KTH 410, Ext. 23810  
dooley@mcmaster.ca

### **COURSE OBJECTIVES**

The course examines labour markets from the perspective of economic theory, empirical evidence and policy applications. The core material includes the analysis of labour demand decisions made by firms, labour supply decisions made by workers, and the patterns of employment and wages resulting from the interaction of these decisions in competitive and non-competitive markets. Against this background, we consider a series of policy applications in the areas of education, discrimination, income support and unemployment among others.

### **EVALUATION**

Both tests and the exam will consist of problems and short essays. Numerical marks are converted to letter grades using the scale in the Undergraduate Calendar. The final grade for course will be determined using the weights below.

Two Homework Assignments (5% each)	10%
First hour test	23%
Second hour test	23%
December exam	44%

### **MISSED TESTS OR ASSIGNMENT DEADLINES**

There will be no makeup for a missed test. Students with a valid and verified excuse (health or family emergency) for a missed test will have their grade determined using the above weights as a proportion of the total work (77%) performed. Students with a valid and verified excuse (health or family emergency) for a missed assignment deadline will have one additional week to hand in the assignment.

### **ACADEMIC DISHONESTY**

Academic dishonesty consists of misrepresentation by deception or by other fraudulent means and can result in serious consequences, e.g. the grade of zero on an assignment, loss of credit with a notation on the transcript (notation reads: "Grade of F assigned for academic dishonesty"), and/or suspension or expulsion from the university.

It is your responsibility to understand what constitutes academic dishonesty. For information on the various kinds of academic dishonesty please refer to the Academic Integrity Policy, specifically Appendix 3, located at [http://www.mcmaster.ca/senate/academic/ac\\_integrity.htm](http://www.mcmaster.ca/senate/academic/ac_integrity.htm)

The following illustrates only three forms of academic dishonesty:

1. Plagiarism, e.g. the submission of work that is not one's own or for which other credit has been obtained.
2. Improper collaboration in group work.
3. Copying or using unauthorized aids in tests and examinations.

## **IMPORTANT DATES**

First Homework Assignment: Distributed Thursday September 18; Due Thursday September 25

First Hour Test: Class Period, Thursday, October 9.

Second Homework Assignment: Distributed Thursday October 23; Due Thursday October 30

Second Hour Test: Class Period, Thursday, November 13.

## **COURSE WEB PAGE**

The initial web page for this course is at <http://socserv.mcmaster.ca/econ/faculty/dooley/3D3/>.  
The address of the course web page may change. If so, a forwarding link will be posted.

## **TEXTS:**

Benjamin, D., Gunderson, M. and Riddell, W. C. **Labour Market Economics**, Fifth Edition,, McGraw-Hill Ryerson, 2002.

Custom Coursepack for Economics 3D303 This courseware contains the basic graphs and tables which I will use as overheads in lecture. There is also blank space on each page for you to write notes during lecture. Please bring this coursepack with you to class.

**CALCULATORS:** Only university approved calculators will be permitted in tests and the exam.

**PHOTO ID:** You will be required to show your university photo ID at all tests and the exam.

The following schedule is tentative and may be modified as the course proceeds.

Week	Date	Topics	Readings
1	Sept 4	Introduction (skip Appendix)	Chapt. 1
2	Sep 8	Individual Labour Supply (including Appendix)	Chapt. 2
3	Sep 15	Labour Supply and Public Policy	Chapts. 3
Thur	Sep 18	Homework #1 Distributed. Due Thur Sep 25	
4	Sep 22	Labour Demand in Competitive Markets	Chapt. 5
5	Sep 29	Labour Demand & Non-wage Benefits.	Chapt. 6
6	Oct 6	Wages & Employment in Single Market	Chapt 7
Thur	Oct 9	Test # 1	
7	Oct 13	Wages & Employment in Single Market	Chapt 7
8	Oct 20	Compensating Wage Differentials	Chapt 8
Thur	Oct 23	Homework #2 Distributed. Due Thur Oct 30	
9	Oct 27	Human Capital Theory	Chapt 9
10	Nov 3	Human Capital Theory	Chapt 9
11	Nov 10	Optimal Compensation Systems	Chapt 13
Thur	Nov 13	Test # 2	
12	Nov 17	Unemployment: Meaning and Measurement	Chapt 17
13	Nov 24	Unemployment: Causes and Consequences	Chapt 18