

**COURSE SYLLABUS
SOUTHEAST MISSOURI STATE UNIVERSITY**

Department: Economics and Finance
Course Title: Labor Economics

Course No EC380
Revision Spring 2010

I. Catalog Description and Credit Hours of Course

The determination of wages, employment, and the quantity and quality of work is examined. (3)

II. Prerequisite(s)

MA134 College Algebra;
EC215 Principles of Microeconomics or AG245 Agricultural Economics; and
EC225 Principles of Macroeconomics

III. Purposes or Objectives of the Course

- A. To develop an understanding of the general determination of wages and employment in both competitive and noncompetitive labor markets. *BSBA Goal: Knowledge of the fundamentals of accounting, finance, business law, MIS, marketing, management, and economics. Use business-related terms, concepts, theories, and principles appropriately.*
- B. To develop an understanding of the influence of institutional factors on wages, employment, and the quality of work. *BSBA Goal: Knowledge of the fundamentals of accounting, finance, business law, MIS, marketing, management, and economics. Use business-related terms, concepts, theories, and principles appropriately.*
- C. To develop an understanding of the macroeconomic aspects of labor in the economy.

IV. Expectations of Students

- A. Regular class attendance and participation in class discussions and question/answer sessions.
- B. Familiarity with assigned readings.
- C. Satisfactory performance on examinations and other assignments.
- D. A minimum of two hours of outside class work for every hour in class.

V. Course Outline

Class Periods

I. Introduction and Overview	
A. The Labor Market	3
1. Overview of the Labor Market	
2. Actors in the Labor Market	
3. Unique Features of the Labor Market	
B. Labor Supply	9
1. The Labor/Leisure Choice and the Hours of Work Decision	
2. The Labor Participation Choice and the Work or Not Work Decision	
3. Labor Supply Over the Life Cycle	
4. Labor Supply Over the Business Cycle	
5. The Retirement Decision	
6. Income Maintenance Programs and Labor Supply	

7. Household Production and Labor Supply	
8. Fertility and Labor Supply	
C. Labor Demand	6
1. Production Function	
2. Labor Demand in the Short Run	
3. Price Elasticity of Labor Demand	
4. Labor Demand in the Long Run	
5. Elasticity of Substitution	
D. Labor Market Equilibrium	5
1. Equilibrium in a Single Competitive Labor Market	
2. Competitive Equilibrium Across Labor Markets	
3. Policy Applications	
4. The Cobweb Model	
5. Non-competitive Labor Markets	
II. Explaining Wage and Earnings Differentials	
A. Compensating Wage Differentials	3
1. Risky Jobs	
2. Job Amenities	
3. Hedonic Wage Function	
4. Policy Applications	
B. Human Capital	3
1. Education and Earnings	
2. Policy Applications	
3. Human Capital vs. Signaling	
4. On the Job Training	
5. General vs. Specific Training	
C. The Wage Structure	3
1. The Earnings Distribution	
2. Measuring Earnings Inequality	
3. Earnings of Superstars	
D. Labor Mobility	3
1. Geographic Mobility	
2. Migration Within the United States	
3. Immigration Into the United States	
4. Job Turnover	
E. Labor Market Discrimination	3
1. Race and Gender Discrimination	
2. Theories of Labor Market Discrimination	
3. Measuring Discrimination	
F. Labor Unions	2
1. Determination of Union Membership	
2. Union Wage Effects	
III. Other Issues	
A. Issues in Compensation	3
1. Pay Form – Piece Rates, Time Rates, Tournaments, Group-Based	
2. Pay Level – Efficiency Wages	
3. Work Incentive Effects	
B. Unemployment	2
1. Measuring Unemployment	
2. Types of Unemployment	
3. Causes of Unemployment	

VI. Textbook(s) and/or Other Required Materials or Equipment

Labor Economics (5/e), George J. Borjas, McGraw-Hill, 2010.

VII. Basis of Student Evaluation

Performance on tests, homework, quizzes, assignments, reports, or other activities required for the course.