

**Economics 136**  
**Human Resources**  
**Fall 2012**  
**Professor Julian Betts**

This course covers the economics of hiring, setting wages and worker incentives, with an emphasis on the economics of education and training.

**Prerequisites:** *Economics 100B or 170B.* (We will frequently use calculus during the course to solve for optimal solutions to various problems managers face.)

**Textbook:** *Personnel Economics in Practice*, 2<sup>nd</sup> Edition, by Edward P. Lazear and Michael Gibbs, 2009, John Wiley and Sons.

Note: An earlier version of the textbook is *Personnel Economics for Managers*, by Edward Lazear, 1998, John Wiley and Sons Ltd. There is a high degree of overlap between the two books, so you are OK with the older version, but I will cover some content in the new textbook that is not in the old version.

Our textbook is an excellent hands-on book designed to help MBA students think about personnel management in the real world. We will cover both the informal approach in the textbook as well as the more mathematical proofs that are included in the appendices.

The course will emphasize the economics of education and training slightly more than the textbook, which covers both topics in a relatively short Chapter 3.

Chapters to be covered (subject to change): 1-4,8,10-12.

Outline for Lectures – Subject to Change

Topic	Chapters in 2 <sup>nd</sup> Edition	Chapters in 1 <sup>st</sup> Edition
Hiring Standards	1	2
Recruitment	2	3,4 and 8
Investment in Skills	3	6
Managing Turnover	4	7
Advanced Job Design - Teams	8	12
Rewarding Performance	10	5
Career-Based Incentives	11	9 and 11
Stock Options and Executive Pay	12	8

**Grading:**

Test 1 (in class Thursday Week 3 (October 18), covering chapters 1-3)	25%
Test 2 (in class Thursday Week 7 (November 15))	25%
Final exam (covering entire course, with roughly a 50:50 weight on new material and material already tested in tests 1 and 2)	50%

## Letter Grades

Letter grades will be determined by final % in the course, as follows: 90-100=A+, 85-89=A, 80-84=A-, 75-79=B+, 70-74=B, 66-69=B-, 62-65=C+, 58-61=C, 54-57=C-, 50-53=D, <50% = F.

## Teaching Assistants and Office Hours

My office hours are Monday 3:30-5 Room 212, Department of Economics.

You can also reach me at [jbetts@ucsd.edu](mailto:jbetts@ucsd.edu). *If you do use email, please make sure that "136" is in the message title so that I can organize my course-related email easily. This will also reduce the chances that your email gets lost in the spam.*

There will be two teaching assistants for this course:

Samuel Bazzi ([sbazzi@ucsd.edu](mailto:sbazzi@ucsd.edu))

Jedrejz (Yendrick) Zieleniak ([jzieleniak@ucsd.edu](mailto:jzieleniak@ucsd.edu))

I will announce their office hours shortly. They will tend to bunch their office hours towards exam times.

## Class Web Page and Class Notes

The class web page is <http://weber.ucsd.edu/~jbetts/136.html> where you can find a useful mathematical appendix by Professor Mark Machina, and *all* tests and final exams from past offerings of Econ 136.

In week 1 I will hand out notes in class. In later weeks you are responsible for going to the class web page and printing out notes before class. In class you will be able to complete your notes based on my lecture. Attendance at lecture is extremely important, both to ensure that you have a complete set of notes and to ensure that you have a chance to take in and learn how to use the concepts taught in class. We will have frequent in-class reviews and mini-reviews based on old test questions and practice assignments, all available on the class web page. Being in class for these frequent reviews is really key to doing well in the course.

## Policy on Regrading Midterms

Students who believe that their midterm has been misgraded must appeal with a **written statement** of what is wrong with the grading, either by contacting the relevant grader (TA) within one lecture of the lecture in which the midterm is handed back or if that TA misses class that day, by the TA's next available office hour. The TA will regrade the question. The grade could rise, stay the same, or fall, as a result of regrading.

The written statement must be paper-clipped to the midterm in question with your name written on the appeal.

Midterm questions answered in pencil or other erasable medium, or answered in pen but corrected with "whiteout", cannot be submitted for regrading. Of course, if the graders have made an addition error we will fix that, though.

## Policy on Regrading Final Exams

1. Students who are unhappy with their final letter grade in a course cannot simply request that their final exam be regraded. If you want a regrade, you must submit the exam plus a written explanation of why you think you deserve extra points, and on which question(s).

2. As always, exams written in pencil cannot be submitted for regrading. The same applies to exams written with pen but corrected with “whiteout”. Of course, if the graders have made an addition error I will fix that, though.
3. If a student submits the final exam for regrading, here is what will happen:
  - a) The *entire* exam, not just the question(s) indicated by the student, will be regraded.
  - b) The final letter grade in the course will be recalculated based on the final exam score after the regrading. **The student’s letter grade could rise, remain unchanged, or fall.**
4. Students who want a final regraded must submit their exam and written explanation of the basis for the regrade by no later than Wednesday a week and a half after exams end.
5. Sometimes students who are disappointed with their grade ask whether they can do additional work to increase their grade. The answer is no, because to do so would be completely unfair to other students in the class.

### **Policy on Missed Midterms/Exams and Cheating**

Exam dates are not negotiable. If you miss a midterm because of documented illness or sports, the weight of the missed midterm will be added to the weight of the final exam. Unexcused missed exams will receive scores of 0. There are no acceptable excuses for missing the final (apart from documented illness) -- if you miss the final, you will receive a failing grade for the course. Any student caught cheating will receive a failing grade for the course. In addition to this academic sanction, the Council of Deans of Student Affairs will impose a disciplinary penalty.