Chapter 9

ECON

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Chapter 9 Study Questions**

**Section1**

1. What groups of people does the government consider to be **(a)** in the labor force **(b)** employed; (c) unemployed?
2. How does the screening effect differ from the learning effect?
3. You are the manager of a medium sized publishing company with 90 permanent employees, all of whom receive competitive wages, health insurance, and retirement benefits. The health insurance provider announces a 20% increase. Describe two possible ways that you could responds to this increase in cost.

**Section 2**

1. How do the laws of supply and demand affect the labor market?
2. How do minimum wage and safety laws affect wages?
3. Explain the reason for the difference in wages between a petroleum engineer (average salary of $130, 280) and a High School Teacher (average salary of $55,050), both of which only require 4-5 years of post secondary education. Explain your reasoning in terms of supply and demand. Are there any additional factor that could also help explain the difference?

**Section 3**

1. What are some of the key goals of Labor Unions?
2. How are strikes damaging to workers and companies?
3. How do blue collar workers and white collar workers differ in the types of work that they perform? Give examples of each.
4. In recent years some manufacturing firms have moved their factories to countries where nonunion labor is cheap. The companies say they need to make such moves to reduce costs and compete with foreign companies. American unions have fiercely opposed the cuts in American jobs. Which side would you support if you were (a) a U.S. Worker; (b) a consumer; (c) an investor in the company? Explain your reasoning for each response.