

### Question 1

Racial occupational dissimilarities are \_\_\_\_\_ and have fallen \_\_\_\_\_ over time than gender-related occupational dissimilarities.

- A) smaller; faster
- B) smaller; slower
- C) larger; faster
- D) larger; slower

Answer: <https://biology-forums.com/index.php?topic=810728>

### Question 2

Consider the indifference curves in the graph above. Why are the indifference curves negatively sloped? Why are the indifference curves convex to the origin of the graph?

Answer: <https://biology-forums.com/index.php?topic=810496>

### Question 3

Assuming the demand curve for labor does not shift, a given inflow of immigrants will lower wages more when

- A) the labor demand curve is more elastic.
- B) the domestic labor supply curve is more elastic.
- C) Both A and B will cause the wage to fall more.
- D) Neither A nor B will cause the wage to fall more.

Answer: <https://biology-forums.com/index.php?topic=810635>

### Question 4

When deciding the salary of a sports star,

- A) the team must consider how much money the sports star should earn.
- B) the team must consider how much the sports star will cause revenues to increase.
- C) the team estimates the sports star's marginal product; because this is a guess, sports stars are generally underpaid.
- D) the team will hire the sports star if doing so will increase the team's revenues.

Answer: <https://biology-forums.com/index.php?topic=810267>

### Question 5

Which type of transaction is NOT Pareto improving?

- A) Some parties gain and some parties lose, and the gains are larger than the losses.
- B) Some parties gain and some parties lose, but the gainers fully compensate the losers for their losses.
- C) Some parties gain and no one loses.
- D) All affected parties gain.

Answer: <https://biology-forums.com/index.php?topic=810208>

### Question 6

Most college professors have tenure, which makes it very hard to fire them. What is the effect of tenure on the academic job market?

- A) It makes it more likely the wages of tenured professors will reflect their productivity.
- B) It makes it more likely that professors will be well matched to the institutions they teach in.
- C) It reduces the job mobility of tenured professors.
- D) It increases the professors' willingness to invest in teaching.

Answer: <https://biology-forums.com/index.php?topic=810638>

### Question 7

If Social Security were changed so that those retiring at a later age receive substantially more benefits, then the substitution effect would work to \_\_\_\_\_ the retirement age and the income effect would work to \_\_\_\_\_ the retirement age.

- A) increase; increase
- B) increase; decrease
- C) decrease; decrease
- D) decrease; increase

Answer: <https://biology-forums.com/index.php?topic=810480>

### Question 8

A worker who has quit one job to have time to search for a similar position is counted as what type of unemployment?

- A) frictional
- B) occupational

C) regional

D) cyclical

Answer: <https://biology-forums.com/index.php?topic=810799>

### Question 9

A person who receives time-and-a-half overtime for working more than 8 hours per day will have a \_\_\_\_\_ which is \_\_\_\_\_ beyond 8 hours of labor.

A) budget constraint; flatter

B) indifference curve; flatter

C) budget constraint; steeper

D) indifference curve; steeper

Answer: <https://biology-forums.com/index.php?topic=810413>

### Question 10

Opportunistic behavior is a tendency on the part of employees to

A) end up working less diligently than their stated intentions implied.

B) take the initiative to help advance the employer's objectives.

C) plan to mislead employers to attain a "cushy" job.

D) maximize income.

Answer: <https://biology-forums.com/index.php?topic=810654>

### Question 11

Which of these persons is officially classified as being "not in the labor force"?

A) Alex, who was fired from his job two months ago and is searching for a new job.

B) Bob, who would start looking for work if he thought he could get a good job.

C) Cole, who has never worked but just started looking for work two weeks ago.

D) Durk, who is working at a low wage job that does not challenge him.

Answer: <https://biology-forums.com/index.php?topic=810239>

### Question 12

If a family's budget constraint shifts because of an increase in non-labor income, then a member of the family who works outside of the home will

A) choose to decrease his or her hours of work.

B) choose to increase his or her hours of work.

C) not change his or her hours of work.

D) either increase or decrease his or her hours of work, depending on the size of the substitution effect.

Answer: <https://biology-forums.com/index.php?topic=810463>

### Question 13

Suppose that monopsony behavior results from the increased monitoring costs at large firms. A higher minimum wage would \_\_\_\_\_ the marginal expense of hiring labor but only if the workers are \_\_\_\_\_ afraid of losing their jobs and thus need less supervision.

A) rise; more

B) raise; less

C) lower; more

D) lower; less

Answer: <https://biology-forums.com/index.php?topic=810673>

### Question 14

The labor force is made up of

A) all members of society.

B) all members of society who are at least 16 years of age.

C) all members of society who are at least 16 years old and are either employed or unemployed.

D) employed workers, unemployed workers, and retired workers.

Answer: <https://biology-forums.com/index.php?topic=810217>

### Question 15

High-paying jobs are also associated with generous benefits because

A) benefits which cost \$100 generally increase utility by more than \$100 in cash.

B) high-paid workers can benefit from the tax advantages given to benefits.

C) employers know how to spend money better than their employees.

D) high-paid workers are risk neutral.

Answer: <https://biology-forums.com/index.php?topic=810523>

### Question 16

If the only working member of a household receives an increase in her wage rate, then

- A) she will choose to increase her hours of work.
- B) she will choose to decrease her hours of work.
- C) she will not change her hours of work.
- D) she could increase, decrease, or maintain her current hours of work.

Answer: <https://biology-forums.com/index.php?topic=810465>

### Question 17

"When a worker's wage rate changes, there are two opposing effects—an income effect and a substitution effect." Explain the meaning of the quote.

Answer: <https://biology-forums.com/index.php?topic=810456>

### Question 18

A compensating wage differential is

- A) an extra wage that compensates workers for undesirable working conditions.
- B) an extra wage that is above the equilibrium wage.
- C) an extra wage that will make all workers willing to accept undesirable working conditions.
- D) an extra wage that implies firms are no longer maximizing profits.

Answer: <https://biology-forums.com/index.php?topic=810507>

### Question 19

Identify the major changes in earnings inequality in the U.S. since 1980.

Answer: <https://biology-forums.com/index.php?topic=810887>

### Question 20

What are the sources of unemployment identified by the U.S. Department of Labor? Give some sense of the relative importance of each category in a non-recession year.

Answer: <https://biology-forums.com/index.php?topic=810831>