**Chapter 9 questions**

**Multiple Choice**

*Identify the letter of the choice that best completes the statement or answers the question.*

\_\_\_\_ 1. Approximately what percentage of U.S. workers belong to labor unions?

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| a. | 9 percent | c. | 25 percent |
| b. | 13 percent | d. | 42 percent |

\_\_\_\_ 2. What is collective bargaining?

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| a. | union and company representatives meeting to negotiate a new labor contract |
| b. | an organization of workers representing several different occupations |
| c. | an agreement to allow everyone to be part of the labor negotiating process |
| d. | a situation in which the rights of labor have been set aside |

\_\_\_\_ 3. How are wages for a particular job determined?

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| a. | By advertisements in the newspaper or on line. |
| b. | By the equilibrium between the supply and demand for workers for that job. |
| c. | By the amount of inflation in the economy. |
| d. | By the Federal Wage and Hour Department. |

\_\_\_\_ 4. For which kinds of discrimination does the EEOC handle complaints?

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| a. | race only |
| b. | race and sex only |
| c. | religion and nationality only |
| d. | race, sex, color, religion, or nationality |

\_\_\_\_ 5. Which of the following is an example of using physical capital instead of human capital to get a job done?

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| a. | furniture made by hand | c. | an automatic teller machine |
| b. | a server in a fast-food restaurant | d. | a licensed practical nurse |

\_\_\_\_ 6. According to economic theory, what happens to job opportunities in low-paying jobs when the minimum wage goes up?

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| a. | Job opportunities become more interesting. |
| b. | The jobs available become easier to get. |
| c. | The quantity of labor demanded goes down. |
| d. | The quantity of labor demanded goes up. |

\_\_\_\_ 7. In inflation-adjusted dollars, how have average wages in the United States changed in the last 20 years?

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| a. | Wages have gone up significantly. | c. | Wages have varied every few years. |
| b. | Wages have gone down significantly. | d. | Wages have stayed the same. |

\_\_\_\_ 8. When did labor unions begin to gain some legal rights in the United States?

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| a. | 1900s | c. | 1930s |
| b. | 1920s | d. | 1950s |

\_\_\_\_ 9. Which of the following jobs are expected to grow significantly?

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| a. | computer-related jobs | c. | police and fire fighters’ jobs |
| b. | manufacturing jobs | d. | agricultural workers’ jobs |

\_\_\_\_ 10. Which of the following could be considered company benefits?

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| a. | overtime payments |
| b. | weekly wages |
| c. | the employee’s payments to Social Security |
| d. | the employer’s payments to Social Security |

\_\_\_\_ 11. Mark is switching from his job as a data entry clerk in an office to a job in a steel mill. One reason his wages will increase significantly in his new job is that

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| a. | the demand for steel mill workers and for data entry clerks is about the same. |
| b. | the supply of steel mill workers is high. |
| c. | it is more dangerous to work in a steel mill than in an office. |
| d. | the demand for data entry clerks is low. |

\_\_\_\_ 12. When your grandfather and his friends entered the work force in 1950, they were likely to have jobs in

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| a. | factories producing electronics. |
| b. | agriculture. |
| c. | the service sector. |
| d. | companies such as Standard Oil or Carnegie Steel. |

\_\_\_\_ 13. Tracy, a recent college graduate who earned straight “A’s” as a history major, is applying for a job as a legal assistant. Although she does not have a background in law, she hopes to land the job because of the

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| a. | learning effect. |
| b. | trend toward having several different jobs during one’s career. |
| c. | trend toward contingent employment. |
| d. | screening effect. |

\_\_\_\_ 14. Jon is deciding between a job with Company A that pays $500 a week and a job with Company B that pays $550 a week. He decides to take the job with Company A, whose lower compensation is offset by its

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| a. | large number of information management jobs. |
| b. | higher earnings. |
| c. | contributions to Social Security. |
| d. | benefits such as health insurance and stock options. |

\_\_\_\_ 15. Current labor market trends include

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| a. | an increase in the number of people not counted in employment statistics. |
| b. | an increase in demand for low-skilled American labor. |
| c. | an increase in service jobs accompanied by a decrease in manufacturing jobs. |
| d. | all of the above. |

\_\_\_\_ 16. The equilibrium wage for doctors is high because the

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| a. | demand for doctors equals the supply. |
| b. | supply of doctors is relatively low and the demand is relatively high. |
| c. | demand for doctors tends to be lower relative to supply. |
| d. | supply of doctors is relatively high and the demand is relatively low. |

\_\_\_\_ 17. The label in your jeans says that they were made in a Latin American country. This is probably because the jeans manufacturing company wanted to locate its plant

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| a. | closer to raw materials. |
| b. | where labor was plentiful and therefore cheaper. |
| c. | in a warmer climate. |
| d. | in a region with less technology. |

\_\_\_\_ 18. All of the following help explain why carpenters usually earn more than dishwashers EXCEPT

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| a. | a greater demand for carpenters than for dishwashers. |
| b. | a carpenter is a skilled worker, while a dishwasher is a semi-skilled worker. |
| c. | a greater supply of carpenters than dishwashers. |
| d. | a greater danger of on-the-job injury for carpenters than for dishwashers. |

\_\_\_\_ 19. The strength of labor unions has declined in recent years because

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| a. | the number of white collar jobs is increasing. |
| b. | the number of blue collar jobs is decreasing. |
| c. | some manufacturers have relocated to countries where labor is cheaper or to the American South. |
| d. | all of the above |

\_\_\_\_ 20. Your cousin tells you that his trucking company has resorted to arbitration with the trucker’s union. This means that

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| a. | strikebreakers will be called in to perform key tasks. |
| b. | a neutral third party is reviewing the dispute and will impose a legally binding decision. |
| c. | the trucker’s union is on strike. |
| d. | the company will call in a mediator if arbitration fails. |