

Review 9

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?
a. 9 percent
b. 13 percent
c. 25 percent
d. 42 percent
- _____ 2. What is collective bargaining?
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?
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?
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?
a. furniture made by hand
b. a server in a fast-food restaurant
c. an automatic teller machine
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?
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?
a. Wages have gone up significantly.
b. Wages have gone down significantly.
c. Wages have varied every few years.
d. Wages have stayed the same.
- _____ 8. When did labor unions begin to gain some legal rights in the United States?
a. 1900s
b. 1920s
c. 1930s
d. 1950s
- _____ 9. Which of the following jobs are expected to grow significantly?
a. computer-related jobs
b. manufacturing jobs
c. police and fire fighters' jobs
d. agricultural workers' jobs
- _____ 10. Which of the following could be considered company benefits?
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

- 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
- 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
- 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
- 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
- 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
- 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. You live in a community with many teenagers, and you work during the summer bagging groceries for a low hourly wage. How might living in a community with fewer teenagers looking for grocery bagging jobs affect your hourly wage?
- a. Your wages would probably be higher because the supply of baggers would be higher.
 - b. Your wages would probably be lower because the supply of baggers would be higher.
 - c. Your wages would probably be higher because demand for baggers would be higher.
 - d. Your wages would probably be lower because demand for baggers would be higher.
- _____ 18. 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
- 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.
- _____ 19. Emily has been waiting for a promotion to a management position for almost five years. When she notices that men fill most of the higher-level jobs in her company, she suspects that her company has
- a. low productivity.
 - b. too much skilled labor.
 - c. minimum wage laws.
 - d. a glass ceiling.
- _____ 20. All of the following help explain why carpenters usually earn more than dishwashers EXCEPT

- 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.
- ___ 21. Labor unions arose largely in response to the
- a. dangerous working conditions and long hours of factory jobs in the 1800s.
 - b. practice of featherbedding in the railroad industry.
 - c. goal of many firms to hire and retain the most highly skilled workers.
 - d. 1938 Fair Labor Standards Act, which banned child labor.
- ___ 22. The strength of labor unions has declined in recent years because
- 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
- ___ 23. Your cousin tells you that his trucking company has resorted to arbitration with the trucker's union. This means that
- 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.
- ___ 24. In your community there are enough lawncare workers to fill all the lawncare jobs available. There are also no unemployed lawncare workers. You can assume that the wage paid to lawncare workers is
- a. in equilibrium.
 - b. too high.
 - c. too low.
 - d. in excess of demand.
- ___ 25. Suppose the cost of having your teeth filled rises in your area. The result will likely be
- a. a decrease in the equilibrium wage paid to dentists in your area.
 - b. no change in the number of dental students in your area.
 - c. an increase in the number of dental students in your area.
 - d. a decrease in the number of dental students in your area.

Matching

Identifying Key Terms

Match each term with the correct statement below.

- | | |
|------------------------|--------------------------|
| a. white-collar worker | f. right-to-work law |
| b. unskilled labor | g. productivity |
| c. learning effect | h. equilibrium wage |
| d. labor union | i. glass ceiling |
| e. semiskilled labor | j. collective bargaining |

- ___ 26. a measure that bans mandatory union membership
- ___ 27. the wage rate that gives neither an excess supply of workers nor an excess demand for workers
- ___ 28. an unofficial, invisible barrier that prevents women and minorities from advancing in businesses dominated by white men
- ___ 29. labor that requires minimal specialized skills and education
- ___ 30. the theory that education increases productivity and results in higher wages
- ___ 31. an organization of workers that tries to improve working conditions, wages, and benefits for its members
- ___ 32. the value of a worker's output

___ 33. someone in a professional or clerical job who usually earns a salary

Identifying Key Terms

Match each term with the correct statement below.

- | | |
|------------------------|--------------------------|
| a. blue-collar worker | f. equilibrium wage |
| b. white-collar worker | g. skilled labor |
| c. productivity | h. featherbedding |
| d. strike | i. arbitration |
| e. screening effect | j. contingent employment |

___ 34. an organized work stoppage intended to force an employer to address union demands

___ 35. workers who require specialized training and skills

___ 36. the wage rate that gives neither an excess supply of workers nor an excess demand for workers

___ 37. a settlement technique in which a third party reviews the case and makes a decision that is legally binding for both sides

___ 38. temporary or part-time employment

___ 39. the theory that the completion of college indicates to employers that a job applicant is intelligent and hard-working

___ 40. the value of a worker's output

___ 41. the practice of negotiating labor contracts that keep unnecessary workers on a company's payroll

Short Answer

Reading a Chart



42. According to Figure 9.11, which group has the highest salary?

43. According to Figure 9.11, who earns more, Hispanic women or African American women?

44. According to Figure 9.11, how much do Hispanic men earn, on average?

45. According to Figure 9.11, which group has the lowest salary?

46. According to Figure 9.11, who earns more, white women or Hispanic men?
47. According to Figure 9.11, how much do African American women earn, on average?

Essay

Critical Thinking

48. **Expressing Problems Clearly** What are the various requirements that people can meet to be considered employed?
49. **Analyzing Information** Why do more women work today than 25 years ago?
50. **Identifying Alternatives** What is the difference between arbitration and mediation?
51. **Determining Relevance** What requirements must people meet to be counted as unemployed?
52. **Identifying Central Issues** What is the equilibrium wage?
53. **Analyzing Information** What are some advantages for firms hiring contingent workers?