Taylor Economics Chapter 13

1. In a labor market who does the buying?
2. In a labor market who does the selling?
3. What effect does a wage increase have upon the amount of labor demanded?
4. What effect would an increase in the number of workers available in the workforce have upon wages?
5. What does the intersection of labor demanded and labor supplied determine in the market?
6. Define fringe benefits?
7. How can fringe benefits compensate for a mediocre wage?
8. Why do you think fringe benefits have become a bigger chunk of workers' compensation?
9. Define wages.
10. Explain what the term real wage means.
11. What are nominal wages?
12. Why can't nominal wages be compared to real wages?
13. How are nominal wages made real?
14. Explain what the labor market does.
15. What does it mean that the demand for labor is derived?
16. How do firms decide how much to produce?
17. What does it mean to be a price taker?
18. What type of market do price takers operate in?
19. Define marginal product of labor.
20. What does it mean that there is a diminishing marginal product of labor?
21. How does marginal revenue product of labor determine what the price for labor will be?
22.Compare and contrast marginal product and marginal revenue product.
23. Write the rule for determining how much wages will be in a particular labor market.
24. How is the law of demand shown in Figure 13.3?
25. What is the only thing that causes movements along a curve?
26. In comparing Table 13.1 and Table 13.2 how can you tell (without being told) that the firm in Table 13.1 is from a competitive market and the firm in 13.2 is a monopoly type situation?
27. Using Table 13.2: If the price of labor is $320 (40 hours * $8) then how many workers will the firm hire?
28. Same table, but the price of labor rises to $13 an hour for full time labor. How many workers will be hired?
29. Explain what MR x MP = MRP tells the student of economics.
30. Why doesn't the rule for competitive firms hold true for monopolies?
31. How is it that MRP = W gives the same results as MC = P?
32. Compare and contrast the substitution effect and income effect on labor supply.
33. Explain how the labor supply curve can be any of the three shown in Figure 13.5.
34. Define investment.
35. Explain human capital.
36. How is labor market equilibrium reached?
37. What is labor productivity?
38. How does the first full paragraph on page 350 show how some are slated for economic success while others are looking at a bleak economic future?
39. What does a signal do in economics?
40. Why would a company use the idea of compensating wage differentials?
41. Minimum wage is an example of what type of pricing function.
42. If the prevailing wage is $11 an hour and the government steps in and mandates a $10 minimum wage, what effect will there be on the market?
43. The prevailing wage is $8.50 an hour and the government imposes an effective wage of $12. Draw a graph and make note of any non-equilibrium situations.
44. How do mandatory price hikes in the labor market lead to decreased employment (at least theoretically). Show your answer graphically.
45. How does one get paid under the piece-rate system?
46. What does it mean if a CEO of a company or a star athlete has deferred compensation?
47. How does the goal of labor unions imply a smaller workforce?
48. Compare and contrast industrial unions and craft unions.
49. Define the National Labor Relations Act (Wagner Act).
50. Explain how the change in Figure 13.11 (left) causes the change in Figure 13.11 (right).
51. Define monopsony.
52. How can a monopsony affect the price of goods?
53. Do problem 1 on page 360.
54. Do problem 3 on page 360.
55. Do problem 9 on page 361.
56 Do problem 10 on page 361.