CENTRAL UNIVERSITY

END OF SEMESTER EXAMINATION: 2016/2017

FACULTY OF ARTS AND SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS

ECON 309 (3 CREDITS)
LABOUR ECONOMICS (RESIT)
LEVEL 300
OCTOBER, 2016

DURATION: 2 HOURS

STUDENT ID

No...

INSTRUCTIONS
ANSWER ALL QUESTIONS IN SECTION A. SECTION B AND THREE FROM SECTION C
DO NOT TURN OVER THIS PAGE UNTIL YOU HAVE BEEN TOLD TO DO SO BY
THE INVIGILATOR

LECTURER: Godson Ahiabor

SECTION A: this section is compulsory and must be attempted.

QUESTION ONE
a) The table below is a hypothetical table of a firm showing output and levels of employment.

It is assumed here that the firm is operating in a perfectly competitive labour and product market and that the product price is **GH¢10.00** per unit

Quantity of Labour (L)	Quantity of Output (Q)
0	0
1	9
2	22
3	58
4	118
5	123
6	88

Requirement:

i) Compute Average Product of Labour (APL) and Marginal Revenue Product of Labour (22 marks).

ii) What is the equilibrium level of output if the wage rate is GH¢360.00. Give one reason for your answer. (5 marks).

iii) When wage rate is GH¢600, what would be the new equilibrium and why. (5 marks).

iv) List four features of indifference curve. (8 marks).

SECTION B: answer any three questions from this section.

QUESTION Two

a) Define Unemployment.
b) Mention and explain four (4) causes of unemployment (20 marks)

QUESTION THREE

a) What is elasticity of demand for labour? (4 marks)

b) Mention and explain four (4) determinants of elasticity of demand for labour. (16 marks).

QUESTION FOUR

a) What is globalization (4 marks)

b) Mention and explain two (2) positive effects and two (2) negative effects of globalization on work and labour. (16 marks)

QUESTION FIVE
Explain the following forces that determine the labour market outcomes:

1. Market forces **(8 marks)**

2. Sociological forces. **(7 marks)**

3. Institutional forces **(5 marks)**