

Labour Long Questions

1997 Q3

- (a) The unemployment figures that are taken from the Labour Force Survey are significantly lower than those taken from the Live Register. Which do you think gives a more accurate picture of the true level of unemployment? Briefly explain. (20 marks)
 - (b) List and briefly explain **four** factors that affect the demand for labour by a particular firm. (20 marks)
 - (c) Outline **three** factors that explain wage differences for different occupations. (20 marks)
 - (d) State **two** factors that determine the efficiency of labour. (15 marks)
- [75 marks]**

1998 Q3

- (a) State **three** reasons why the unemployment figures taken from the Labour Force Survey are a much more accurate measurement of the true level of unemployment than those taken from the Live Register. (15 marks)
 - (b) Economists generally include the following among the reasons for the rather high unemployment rate in Ireland:
 - (i) The Irish labour market is inflexible and over-regulated.
 - (ii) The difference between take-home pay for an unskilled or semi-skilled worker and the value of the monetary and non-monetary social welfare unemployment benefits available to him is too narrow.

Discuss each of the above briefly. (30 marks)
 - (c) Outline some changes in government policies which might result in higher employment in Ireland. (30 marks)
- [75 marks]**

1999 Q3

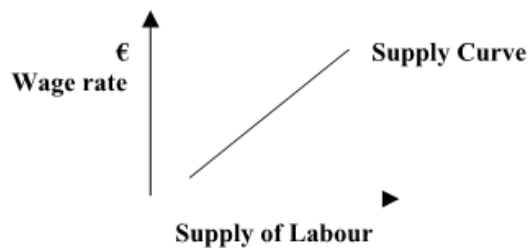
- (c) A firm wishes to increase its labour force from 5 to 6 employees. In order to do this the firm must raise the weekly wage rate from £200 to £230 per worker
 - (i) Explain what is meant by the term **marginal cost of labour**.
 - (ii) Calculate, using the information above, this firm's marginal cost of labour. (20 marks)
- [75 marks]**

2001 Q4

- (a) A principal factor determining the wages to be paid to a worker is the **Marginal Revenue Productivity of Labour** (MRP).
- (i) Explain what is meant by the underlined term.
 - (ii) Discuss the factors, other than MRP, which influence the wage rates paid to different categories of workers. (30 marks)
- (b) How appropriate is MRP for setting wages in the public sector? Explain your answer. (20 marks)
- (c) At present, the demand for labour exceeds the supply of labour in certain sectors of the Irish Economy. Discuss the possible economic effects which this situation may have on the Irish economy. (25 marks)
[75 marks]

2003 Q4

- (b) A principal factor influencing the demand for labour by an individual firm is the **Marginal Revenue Productivity of Labour** (MRP).
- (i) Explain what is meant by the underlined term.
 - (ii) Discuss the factors, other than MRP, which influence the demand for labour by an individual firm. (30 marks)
- (c) The diagram below represents the supply curve of labour to a particular firm.



Explain the effect which each of the following developments may have on this supply curve. Illustrate each answer by means of a diagram.

- (i) The workers shift their preference towards increased leisure time.
- (ii) The workers' trade union negotiates a minimum wage.

(25 marks)

[75 marks]

2007 Q3

- (a) The demand for labour as a factor of production is a **derived demand** and is affected by that factor's **Marginal Revenue Productivity** (MRP).
- (i) Explain each of the underlined terms.
 - (ii) Outline **TWO** developments, other than a fall in MRP, which may result in a firm **reducing** its number of employees.
- (20 marks)*
- (b) (i) State and explain **THREE** factors which are currently affecting the **supply** of labour to the Irish economy.
- (ii) The demand for labour has increased significantly in certain sectors of the Irish economy in recent years, e.g. construction. Discuss **THREE** economic consequences of this situation.
- (30 marks)*

2008 Q3

- (c) Public services are labour intensive and as a consequence the public sector wage bill accounts for a significant proportion of government current spending.
- (i) Explain why Marginal Revenue Productivity (MRP) might not be a suitable method for setting wages in the Public Sector.
 - (ii) Outline an alternative method for determining wage levels in the Public Sector.
 - (iii) Identify possible ways in which the Minister for Finance could reduce the Public Sector wage bill.
- (30 marks)*

2009 Q8

- (a) Discuss the factors that influence the size of the Irish labour force.
- (20 marks)*
- (b) 'According to the Quarterly National Household Survey (QNHS) the rate of unemployment was 7.7% in December 2008'.
- (i) Name a source, other than QNHS, for unemployment statistics in Ireland.
 - (ii) State, with reasons, which of the measurements of unemployment used by each of these sources gives the most accurate estimate of Irish unemployment.
- (15 marks)*

2009 DEB Q8

- (b) Up to recently, the Irish economy has experienced close to full employment. However, unemployment is expected to exceed 10% in 2009.
- (i) Explain the underlined term.
- (ii) Outline the economic consequences of a large rise in the level of unemployment in the Irish economy.

(30 marks)

2010 Q3

- (a) With reference to the factor of production **labour**, explain the following terms:

- Derived Demand;
- Marginal Revenue Productivity;
- Wage Drift;
- Cyclical Unemployment.

(20 marks)

- (b) (i) State and explain **four** factors which influence the efficiency of labour as a factor of production.

Recently the Organisation for Economic Cooperation and Development (OECD) recommended that lower wages are necessary to restore stability to the Irish economy and that consideration should be given to reducing the National Minimum Wage over time.

- (ii) Outline **one** possible economic advantage and **one** possible economic disadvantage, to the Irish economy, of reducing the National Minimum Wage.

(30 marks)

2010 DEB Q4

- (c) (i) State and explain **three** factors which affect a firm's demand for labour.
- (ii) The demand for labour has decreased significantly in certain sectors of the Irish economy in recent years. Discuss **four** economic consequences of this situation.
- (iii) Outline **two** methods by which the Irish government might encourage investment.

(35 marks)

2010 DEB Q8

- (c) According to the Quarterly National Household Survey (QNHS), the rate of unemployment was 12.5% in December 2009.

Outline the effects which this rise in the level of unemployment may have on:

- government current finances;
- balance of payments (current account);
- price inflation.

(25 marks)

2010 EC Q5

- (a) The Irish economy has experienced rising **unemployment** in the last year. Outline the main implications of rising unemployment for the Irish economy. (30 marks)
- (b) (i) Name the **two** main sources from which the figures relating to unemployment in the Irish economy are taken.
- (ii) State, with reasons, which of these gives the most accurate measurement of Irish unemployment. (20 marks)
- (c) Outline possible courses of action the Irish government could take to stimulate **employment** in the Irish economy. (25 marks)

2011 EC Q6

- (a) *By the end of December 2010 the rate of unemployment in Ireland was 13.4%.*
- (i) Name the **two** main sources for unemployment statistics in Ireland.
- (ii) State, with reasons, which of the measurements gives the most accurate estimate of Irish unemployment. (20 marks)
- (b) Discuss economic policies which the Irish government might pursue in order to reduce the level of unemployment. (25 marks)

2011 Q8

- (c) *'The unemployment rate in Ireland in December 2010 was 13.6%'.
(The Central Statistics Office)*
- (i) Discuss **two** economic measures which the Government could take in order to reduce the level of unemployment in Ireland.

At the end of the year 2010, the EU and the IMF agreed €85bn of financial support for Ireland.

- (ii) Discuss the economic effects of this financial support on the Irish economy.

(30)

2012 Q8

- (b) (i) State the rate of unemployment in Ireland during 2012, as indicated by the Live Register.
(ii) Outline the limitations of the Live Register in measuring the rate of unemployment in the Irish economy. (20)

2012 EC Q7

- (c) According to the Quarterly National Household Survey (QNHS), the rate of unemployment was over 14% in December 2011.
Outline the effects which this rise in the level of unemployment may have on:
- (i) Government current finances;
(ii) Balance of payments (current account);
(iii) Price inflation. (25)

2013 Q3

- (a) State and explain **four** economic influences on an individual firm's demand for labour. (25)
- (b) Explain, with the aid of a labour market diagram in each case, how equilibrium wage rates are determined in:
- A free labour market;
 - A labour market where a trade union has negotiated a minimum wage. (25)
- (c) Women in Ireland earn on average 17.1% less per hour than men, according to a study by the European Commission (*Tackling the gender pay gap in the European Union*, 2011).
- (i) Outline **two** possible reasons for the lower wage rates earned by women in the Irish economy.
(ii) Outline **one** measure that could be taken to close the gender pay gap. (15)