Which of the following is an example of frictional unemployment?

(A)A person quits a job to search for another job.

(B)A person lacks the skills to fill any of the available jobs.

(C)A person loses a job because of a recession.

(D)A person retires from the workforce.

(E)An unemployed person stops looking for a job.

Which of the following best describes an economy at full employment?

(A)The rate of unemployment is zero.

(B)There is only structural and cyclical unemployment.

(C)There is only cyclical unemployment.

(D)There is cyclical, but not structural, unemployment.

(E)There is frictional, but not cyclical, unemployment.

Frictional unemployment occurs when which of the following happens?

(A)A worker is replaced by robots on factory assembly lines.

(B)A worker voluntarily quits a job to search for a better one.

(C)A worker is laid off because of a downturn in economic activity.

(D)A worker undergoes on-the-job training.

(E)A worker switches from working full-time to part-time.

If unemployed workers become discouraged and give up trying to find work, the number of workers employed and the unemployment rate would change in which of the following ways?

|  |  |  |
| --- | --- | --- |
|  | Number of Workers Employed | Unemployment Rate |
| (A) | Decrease | Decrease |
| (B) | Decrease | Increase |
| (C) | Decrease | No Change |
| (D) | No Change | Decrease |
| (E) | No Change | Increase |

The unemployment rate is calculated as

(A)the number of people not working divided by the population

(B)the number of people not working divided by the number of people working both full-time and part-time

(C)the number of people working part-time but actively seeking full-time employment divided by the number of people in the labor force

(D)the number of people not working but actively seeking employment divided by the number of people in the labor force

(E)the number of people in the labor force divided by the population

Structural unemployment is best described as unemployment arising from

(A)the elimination of jobs as a result of technological change

(B)an increase in the number of workers searching for better-paying jobs

(C)an increase in the number of jobs demanding unskilled labor

(D)the temporary reduction of jobs during a downturn in the business cycle

(E)the reduction in jobs due to seasonal changes in demand

The recent popularity of job search websites that enable job seekers and potential employers to more efficiently contact each other is most likely to cause

(A)a reduction in the labor force participation rate

(B)a reduction in structural, but not in frictional, unemployment rates

(C)a reduction in the frictional unemployment rate

(D)an increase in the overall unemployment rate

(E)a reduction in cyclical, but not in frictional, unemployment rates

The official unemployment rate understates the unemployment level in the economy because the official unemployment rate

(A)ignores the duration of unemployment

(B)ignores underemployed and discouraged workers

(C)includes jobs created by the underground economy

(D)excludes all unemployed teenagers

(E)excludes frictionally unemployed workers

Which of the following individuals is considered officially unemployed?

(A)Jack, who has not worked for more than three years and has given up looking for work

(B)Joe, who is going to school full-time and is waiting until graduation before looking for a job

(C)Harry, who recently left a job to look for a different job in another town

(D)Lucy, who retired after turning 65 only five months ago

(E)Chuck, who is working 20 hours per week and is seeking full-time employment

An industry historically used employees with specific skills. If this industry experiences technological advances that require new skills, there will most likely be

(A)cyclical unemployment

(B)frictional unemployment

(C)seasonal unemployment

(D)structural unemployment

(E)no change in unemployment

Which of the following would cause the official unemployment rate to understate the problem of unemployment?

(A)Workers receiving unemployment compensation

(B)Cyclically unemployed workers

(C)Discouraged workers

(D)Recent college graduates looking for work

(E)Retirees

Which of the following individuals is classified as unemployed?

(A)A fifteen-year-old high school student who is looking for a babysitting job

(B)A laid-off computer programmer who has given up looking for a new job

(C)A parent who works in an after-school day care center for 15 hours a week

(D)A recent college graduate who is looking for her first job

(E)A mayor who lost an election and retired

Which of the following will be counted as unemployed by the United States Bureau of Labor Statistics?

(A)Persons who quit their previous jobs to stay at home to care for sick parents

(B)Persons who were laid off from their previous jobs and have not applied for a job in two years

(C)Persons who were fired from their previous jobs and are actively applying for work

(D)Persons who have given up looking for jobs after long searches

(E)Persons who quit their previous jobs to start their own businesses

Which type of unemployment would increase if workers lost their jobs because of a recession?

(A)Cyclical

(B)Frictional

(C)Seasonal

(D)Search

(E)Structural



Based on the information in the following table, what is the unemployment rate for Country X?

(A)3.3%

(B)4.0%

(C)6.0%

(D)6.38%

(E)7.5%

Which of the following statements exemplifies the concept of structural unemployment?

(A)New entrants into the labor force have trouble finding jobs.

(B)Workers leave their current jobs to find better jobs.

(C)Workers are laid off because aggregate demand has declined.

(D)Workers are fired because consumers have reduced their total expenditures.

(E)Workers are fired because their skills are no longer in demand.

The unemployment rate measures the percentage of

(A)people in the labor force who do not have jobs

(B)people in the labor force who have a part-time job but are looking for a full-time job

(C)people who do not have jobs and have given up looking for work

(D)people in the adult population who do not have jobs

(E)people in the adult population who have temporary jobs

The official unemployment rate is not an accurate indicator of actual unemployment in the economy because

(A)structural unemployment is greater than cyclical unemployment at the going wage rate

(B)full employment is greater than natural unemployment

(C)the unemployment rate is less than natural unemployment

(D)the official rate does not include persons who have given up looking for work

(E)the official rate does not reflect the number of people receiving unemployment compensation