

1 What is the name given to the situation when people of working age are both willing and able to work but cannot find employment?

- A classical unemployment
 B unemployment
 C unemployment rate
 D voluntary unemployment

2 Which type of government policy is best suited to deal with imperfections in the labour market?

- A fiscal policies
 B monetary policies
 C protectionist policies
 D supply-side policies

3 Which is generally regarded as the most severe form of unemployment?

- A cyclical unemployment
 B real wage unemployment
 C structural unemployment
 D voluntary unemployment

4 The table below gives population data for a particular country.

Population:	66 million
Aged 0–14:	17 million
Aged 15–64:	38 million
Aged over 65:	11 million

If the unemployment rate is 7%, the number of unemployed people is

- A 2.66 million
 B 4.62 million
 C 10 million
 D 28 million

5 What is the main cause of frictional unemployment?

- A changes in demand for certain goods and services
 B people changing jobs
 C people choosing not to work
 D wages set higher than the market equilibrium

6 Explain what is meant by the unemployment rate.

[2 marks]

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7 Calculate the unemployment rate in a country that has a population of 46.6 million people, of which 30 million are employed and 2.7 million are unemployed. [2 marks]

8 Explain which type of unemployment is most associated with a downturn in the business cycle. [2 marks]

9 Explain how the International Labour Organization measures unemployment. [2 marks]

10 Explain **two** economic advantages of a fall in unemployment. [4 marks]
