

### Worksheet 8: Chapter 8(A)

1. Classify each of the following individuals in one of the following categories: employed, unemployed, or not in the labor force.<sup>1</sup>
  - a. Gunther worked forty hours last week in a Central Perk cafeteria.
  - b. Last week, Chandler worked 10 hours as a “transponder” for the Data-Processor and attended night classes at the local college. He would prefer a full-time job.
  - c. Joey lost his job at the Hollywood. Since then he has been trying to find a job at local theater.
  - d. Janice is a homemaker. Last week she was occupied with her normal household chores. She neither held a job nor looked for a job.
  - e. Monica’s father is unable to work.
  - f. Ross has a Ph.D. He worked full-time but doesn’t like his job as a dishwasher. He has applied for jobs with three museums and five universities. As soon as he gets an offer, he’ll quit his current job.
  - g. Rachel has been out of work for a full year. She would take a job if it was offered, but no local companies are hiring. She is not actively searching for work.
2. With respect to statistics on the labor market, we can say that
  - a. the labor force is the sum of the employed and unemployed.
  - b. the unemployment rate is calculated as:  $(\text{number of unemployed} / \text{number of employed}) \times 100$ .
  - c. the number unemployed includes discouraged workers.
  - d. the number of unemployed includes people who are not employed and not actively looking for jobs.
3. If you are available for work and have looked for a job at some point during the previous twelve months, but have not actively looked during the previous four weeks, you are considered
  - a. in the labor force, but structurally unemployed.
  - b. not in the labor force.
  - c. in the labor force, but frictionally unemployed.
  - d. none of the above

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<sup>1</sup> cited from problems used in class of Dr. Movchan Oleksandr

4. What would be the impact of counting as unemployed both discouraged workers and those who work part-time but would prefer to work full-time?
  - a. The unemployment rate would remain the same because those people are already counted as unemployed.
  - b. The unemployment rate would increase.
  - c. The unemployment rate would decrease.
  - d. The annual unemployment rate would have been close to 40% in the last decade.
5. Two important trends in the labor force participation rates of adults aged 20 and over in the United States since 1950 are the \_\_\_\_\_ labor force participation rate of adult women and the \_\_\_\_\_ labor force participation rate of adult men.
  - a. falling; rising
  - b. falling; falling
  - c. rising; falling
  - d. rising; rising
6. Total Population 20 mln.  
Working Age Population 15 mln.  
Employed 10 mln.  
Unemployed 2 mln.
  - a. Find Unemployment Rate
  - b. The Labor Force participation rate is: