

Uganda Martyrs University
FACULTY OF EDUCATION
END OF SEMESTER ONE EXAMINATIONS 2021/2022
BACHELOR OF ARTS /SCIENCE WITH EDUCATION
DEPARTMENT OF ECONOMICS
YEAR TWO



**ECO 2108: LABOUR RELATIONS AND ECONOMICS (Special /
 Supplementary examination)**

28th January 2022

Time: 9:30AM- 12:30PM 3hours

INSTRUCTIONS

- (i) This examination consists of **EIGHT** questions.
 - (ii) Attempt any **FIVE** questions. Each question carries 20 marks.
 - (iii) Please read and follow **ALL** the instructions.
 - (iv) Begin each question on a fresh page.
1. (a) Define marginal wage cost and value of marginal product. **(02 marks)**
- (b) In the table below, a computer company uses both technology and data-entry operators to provide services in a perfectly competitive market. For each unit processed the firm receives \$200 (4). Column (2) shows how total output changes as additional data-entry operators are hired (given a fixed capital level). The Marginal Revenue Product schedule (6) indicates how hiring an additional operator affects the total revenue of the firm.

Units of labour (L) (1)	Total product (TP) (units per week) (2)	Average product (AP) (3)	Sales price (Per unit) (4)	Total revenue (5)	Marginal revenue product (MRP) (5)
0	0.0		\$200		
1	5.0		\$200		
2	9.0		\$200		
3	12.0		\$200		
4	14.0		\$200		
5	15.5		\$200		
6	16.5		\$200		
7	17.0		\$200		

- (a) Calculate the average product, total revenue and marginal revenue product. **(10 marks)**
- (b) Use the table above to draw the short run demand for labour. **(04 marks)**
- (c) Describe the features of the graph. **(04 marks)**

2. (a) Distinguish between transfer earnings and economic rent using a graph. (06 marks)
- (b) Explain the factors influencing wage differentials. (08 marks)
- (c) How can you increase your income and job satisfaction basing on what you have just learnt and on your personal experience? (06 marks)
3. (a) What are the gains of labour unions? (06 marks)
- (b) Discuss the costs or limitations to labour unions (06 marks)
- (c) List the central issues tackled by labour unions. (04 marks)
- (d) What are the objectives of labour unions? (04 marks)
4. (a) Define unemployment, labour force and economically active population. (03 marks)
- (b) Distinguish between voluntary and involuntary unemployment. (02 marks)
- (c) Describe each of the following types of unemployment. (15 marks)
- (i) Structural Unemployment
- (ii) Frictional Unemployment
- (iii) Demand deficiency or Cyclical Unemployment
- (iv) Seasonal Unemployment
5. (a) Define total product, marginal product and average product. (03 marks)
- (b) Copy and complete the table below. (10 marks)

Units of variable resource	Total product (output)	Marginal product	Average product
0	0		
1	8		
2	20		
3	34		
4	46		
5	56		
6	64		
7	70		
8	74		
9	75		
10	73		

- (c) Use the completed table to draw the total product, marginal product and average product curves. *(04 marks)*
- (d) Describe the nature of each graph in (c) above. *(03 marks)*
6. (a) Discuss the causes of labor migration or mobility in your country *(08 marks)*
- (b) What are the obstacles to labor mobility in your country? *(05 marks)*
- (c) Discuss the effect of labor migration or mobility on development of your country. *(07 marks)*
7. (a) Discuss some of the labour problems in developing countries. *(08 marks)*
- (b) What are the causes of child labour in Uganda? *(06 marks)*
- (c) What are the ways of tackling the problem of child labour? *(06 marks)*
8. (a) What are the effects of unemployment on the family? *(04 marks)*
- (b) What are the effects of unemployment on the society? *(04 marks)*
- (c) What are the effects of unemployment on the state? *(04 marks)*
- (d) Discuss some of the strategies that can be used to curb unemployment problem. *(08 marks)*

SUCCESS