

# Topics in Economics: Final Exam

18/03/2024 (2h)

Circle the right answer(s) to the following questions.

1. The ultimatum game experiment shows that: (1 point)
  - a. economic agents readily engage in blackmail when they don't fear the consequences
  - b. economic agents perform altruistic actions because of peer pressure
  - c. economic agents feature some form of other-regarding preferences
2. According to the classical point of view: (1 point)
  - a. a carbon tax can be chosen so as to cancel exactly the social externality of carbon emission
  - b. the price of emitting carbon should be set lower for firms that engage in green production
  - c. big carbon emitters should be discouraged by paying higher taxes

**After reading the supplied documents<sup>1</sup>, find the right answer(s) to the following questions**

3. Which of the following statement(s) is true? (1 point)
  - a. after workers and firms have learned the good practices, working from home is more efficient than working in the office
  - b. over time, the productivity of working from home has decreased for all firms
  - c. the willingness to work from home by many workers will tend to decrease wage rates
4. Which of the following statement(s) is true? (1 point)
  - a. the current low level of average hours per worker is a consequence of the pandemic
  - b. as countries reach higher development stages, hours worked tend to decrease
  - c. in average, men with young children wish they could work more
5. Which of the following statement(s) is true? (1 point)
  - a. since green jobs are paid more in average, there is high competition among workers to get them
  - b. low-skill workers are more exposed to the transition to green jobs than high-skill workers
  - c. a green job, is defined as a carbon-neutral job

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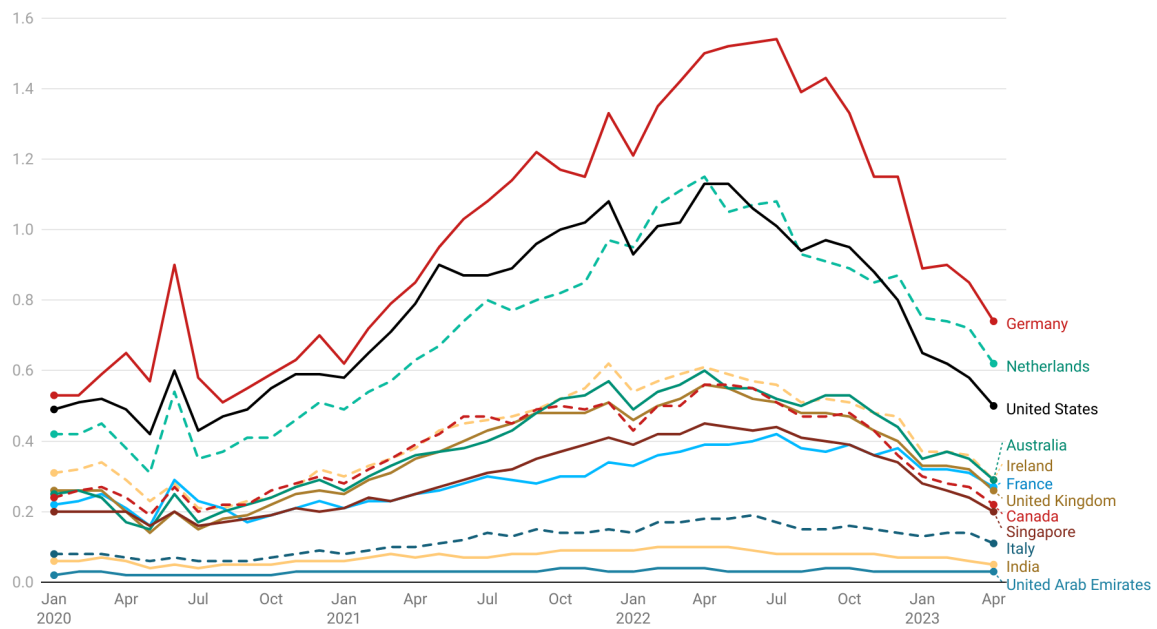
<sup>1</sup>You should have received three documents untitled *Productivity, amenity value, and the future of remote work*, *Why the reduction in European workers' hours after the pandemic is here to stay*, *Labour markets in the green economy*,

Using the documents and the graph, explain why the job market is currently abnormally tight. Respond in less than two pages. (15 points)

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## Labor Market Tightness by Country

Ratio of active openings to active applicants



Source: LinkedIn Economic Graph • Created with Datawrapper

Figure 1: Labour Market Tightness