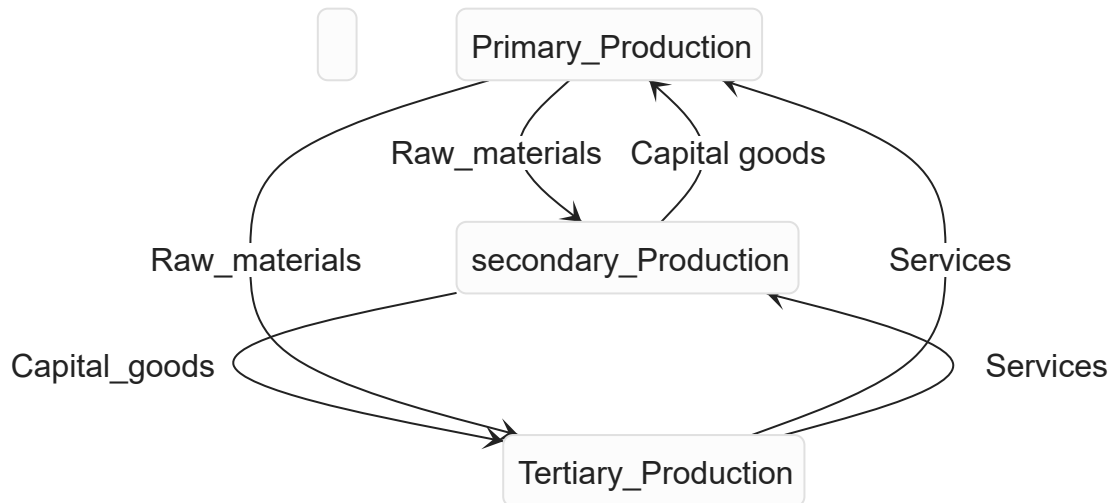


mod 14 Labour market

type of production



Factor of production

- Land
- Capital
- Labour
- Entrepreneurship

Labour mobility

- Retraining programmes
- Required skills
- Entry barriers
- Availability of information

Average productivity

$$= (total + output) / (total + number + of + man + hours)$$

Division of Labour

SPECIALIZATION

payment method

employee

advantage

Time rate

: Stable income

Piece rate

: Possibility of getting higher income

disadvantage

Piece rate

: Unstable income

Profit sharing

: Unstable

employer

advantage

Time rate

: Lower cost of measuring the wage payment

Piece rate

: Lower cost of monitoring employees

Profit sharing

: Lower cost of monitoring employees

disadvantage

Time rate

: Higher cost of monitoring employees

Piece rate

: Higher cost of measuring wage payment

Labour supply

- Size of labour force
- The percentage of working population
- Working hours of workers
- Unemployment benefits

Labour Productivity

