

1-5 C A B D B

6-10 C A D C C

11-15 C C A B B

16-20 D A B B C

21-25 D B A D B

26-30 B B B D A

31-35 D B B A D

Data

- a. ~~Labor is a kind~~ Labour is a kind of factors of production. For example, the finance industry workers.
- b. First, there are more new business start ups, so the supply of product will increase. And aggregate supply will increase and cause economic growth.
- Second, there is an improvement in education in New York, so the labours are more skilled and the productivity will increase, which will ~~increase~~



increase the total supply and cause economic growth.

c. $1.6 \div (1 - 20\%)$

$= 1.6 \div 0.8$

$= 2 \text{ million}$

d. ~~A~~ In general, as the average working hour increase, the wage of each worker will increase. For example, between 2011 and 2012, the working hours increase and the wage of workers increase. It is because, the total output made by the workers increase as the working hour increase, so workers are more likely to get higher wage.

But between 2013 and 2014, the average working hour decrease and the wage of workers increase.

It may be caused by economic growth of the country and lead to price of labours increase.



e. One reason is the difference skill of workers. Because ~~it~~ ^{the} job needs high skilled worker, it tend to be high-paid jobs.

f. First, ~~as there is an one~~ there will be more pollution. Because as the output of country increase, the pollution made by factories will increase.

Second, the income inequality will increase, because more money will be paid to the skilled workers, since they provide more output.

g. ~~On~~ On one side, there are advantages of having a large tertiary sector.

If the city have a large tertiary sector, it means the employment in tertiary sector is high. Since the wage in tertiary sector is higher, people will have more money and a better living standard.

On the other side, there are also ~~the~~ disadvantages. First, if the city's tertiary sector is large, the first sector will be smaller. It will cause the supply of raw material to be low and increase the price of



raw material. Then the cost of production will increase. Second, the tertiary sector ~~is~~ provide ~~services~~ services, which include travel. If there are more people travel to the country, it will increase the pollution which means external cost increase.

h. On one side, it will ~~bring~~ have benefits.

First, if there is more trade, ~~the~~ people will have more choices and can buy products with lower price as the supply of the production increase, and people will save more money and have better living standard.

Second, the firms can buy raw materials with lower price which means cost of production decrease. So the firms will have more money to expand, and the supply of the firms will increase. And will cause economic growth since total supply increase.

On the other side, it will not bring benefits.

First, if more people buy import goods, the demand for domestic goods decrease, and the profit made by the firms will decrease and cause wage of people decrease ~~with~~. And living standard of people will decrease.

Second, if the trade is free, the tax revenue



of government from tariff will decrease. So government will have less money and cause government spending decrease. So aggregate demand will decrease and may cause recession.

