CHAPTER 7

UNEMPLOYMENT

1. The labor force is:
   a. The unemployed plus the employed
   b. Adult population who have demands for job
   c. The total population minus the part out of adult population and adult population but do not demand for job
   d. All are correct
   e. A& b are correct

2. The labor force participation rate is:
   a. The number of adult people divides population
   b. The number of the employed divides population
   c. The number of the employed divides adult population
   d. The number of people in labor force divides the number of adult people

3. The unemployment rate is:
   a. The number of the unemployed divides population
   b. The number of the unemployed divides adult population
   c. The number of the unemployed divides the number of people in labor force
   d. The number of the unemployed divides the number of the employed

In July, 2000, the total population of Vietnam is 77.6 million of people. The number of adult people is 40 million of people. The number of the employed is 37.6 million. The ratio of the number of people in labor force and the population is 49.6%.

4. The number of people in labor force is:
   a. 37.6 million
   b. 38.5 million
   c. 40 million
   d. Not enough data

5. The number of the unemployed is:
   a. 0 million
   b. 0.9 million
   c. 2.4 million
   d. Not enough data

6. The labor force participation rate is:
   a. 94%
   b. 96.3%

c. 100%
d. Not enough data
7. The proportion of the employed is:
    a. 100%
    b. 97.7%
    c. 94%
    d. Not enough data

In July, 2004, the number of the employed in Vietnam is 41.6 million of people; the number of the unemployed is 0.9 million of people. The total population is 82 million. The number of people out of the labor age accounts for 45%. With these data, apply for questions from 8-10.

8. The number of people in the labor age is:
    a. 36.9 million
    b. 42.5 million
    c. 45.1 million
    d. Not enough data
9. The labor force participation rate is:
    a. 94.2%
    b. 97.9%
    c. 55%
    d. Not enough data
10. The proportion of the unemployed is:
    a. 2.12%
    b. 2.00%
    c. 16%
    d. Not enough data
11. A high- school graduated student cannot find out a suitable job for a long time and decides to give up looking for. This people is arranged in the group of:
    a. The employed
    b. The unemployed
    c. In the labor force
    d. Not in the labor force
12. A wife decides to be at home to take care for her family. According to labor statistics, she is arranged in the group of:
    a. The unemployed
    b. The employed
    c. In the labor force

d. Not in the labor force

13. Which of the following reason is not the cause for the natural unemployment?
    a. Wages is fixed over the equilibrium level
    b. The economy falls in crisis
    c. The shift in the composition of industry
    d. Ladies doing households before begin attend the labor market

14. Which of the following case is not counted as natural unemployment?
    a. The shift in the composition of industry
    b. Some firms go bankruptcy and close their doors (not because of the recession)
    c. Some workers quit their current job to look for a new job
    d. Some workers quit their current job and do not look for a new job any more

15. Which of the following case does not belong to the category of frictional unemployment?
    a. Newly graduated students are in the period of looking for job
    b. The narrow of mechanical sector causes mechanic workers to lose job and they are learning more skills to get a job of repairing motorbikes.
    c. Wives after a long time to plays a role as housewives at home begin to look for a job
    d. No answer is correct

16. Unemployment insurance will:
    a. Increase frictional unemployment
    b. Reduce frictional unemployment
    c. Totally not affect frictional unemployment
    d. Be able to increase, reduce or remain frictional unemployment

17. Which of the following case causes structural unemployment?
    a. Jobs in heavy industry fall, the workers in this sector turn to seek job in the light industry and services
    b. Mechanization of agriculture reduces the demands for workers in the rural, farmers begin to move to cities to look for another chance of jobs
    c. Some industry cities such as: Nam Dinh, Viet Tri develop less, the citizens here begin moving to new industry cities such as Hai Duong, Quang Ninh, Vinh Phuc,… to seek job
    d. All are correct

18. Which of following statements is not correct?
    a. At the equilibrium wage, the economy still has unemployment
    b. At the equilibrium wage, the economy has unemployment according to classical theory

   c. At the equilibrium wage, natural unemployment is equal to frictional unemployment plus structural unemployment

   d. At the equilibrium wage, some people want to work but there are no jobs for them

19. The current wage is paid lower than the equilibrium level will:
   a. Cause frictional unemployment
   b. Cause structural unemployment
   c. Cause unemployment according to classical theory
   d. Not above answers

20. Unemployment according to classical theory surely happens when:
   a. Government stipulates the minimum wage
   b. Union is successful in requiring firms' owners to increase wage above the equilibrium level in the labor market for workers
   c. Firms increase wage higher than the equilibrium level to encourage workers to make more effort to work
   d. Not above answers
   e. b & c are correct