

3.5 Labour Markets

Demand for Labour

- i. What is a derived demand?
- ii. How is the demand for labour a derived demand?
- iii. Why is the demand for labour downward sloping?
- iv. Explain two factors, other than changing demand for the product itself, which would shift the demand curve for labour in a particular industry

Supply of labour

- i. Explain 6 factors which determine the supply of labour
- ii. What is geographic labour immobility?
- iii. What factors cause geographic labour immobility?
- iv. What can be done to improve geographic labour immobility?
- v. What is occupational labour immobility?
- vi. What factors cause occupational labour immobility?
- vii. What can be done to improve occupational labour immobility?

Wage determination

- i. Illustrate how equilibrium wage and quantity are determined on a diagram
- ii. What skills are experiencing a shortage, or are expecting to experience a shortage in the future, in the UK?
- iii. What impact will Brexit likely have on the labour market?
- iv. What is the current level of youth unemployment?
- v. What are the problems associated with zero-hour contracts/working?
- vi. What are the benefits associated with zero-hours contracts/working?
- vii. What are the benefits associated with working in the Gig Economy?
- viii. What are the problems associated with working in the Gig Economy?
- ix. Why is there a wage gap between males and females in the UK?
- x. What can the government do to decrease the pay gap between males and females in the UK?

Labour Markets and Government

- i. What is a maximum wage?
- ii. Draw a maximum wage diagram
- iii. Why would governments want to use a maximum wage?
- iv. What are the disadvantages of implementing a maximum wage?
- v. What is a minimum wage?
- vi. Draw a minimum wage diagram
- vii. Why would governments want to use a minimum wage?
- viii. What are the disadvantages of implementing a minimum wage?
- ix. Approximately what percentage of Government spending goes on public sector pay?
- x. Give 3 comparisons between public sector pay and private sector pay
- xi. Explain why market failure exists in labour markets such as doctors and teachers

Elasticity of Labour Supply and Demand

- i. What is the elasticity of demand for labour?
- ii. Explain 3 factors which influence elasticity of demand for labour
- iii. What is the elasticity of supply of labour?
- iv. Explain 3 factors which influence elasticity of supply of labour