



UNIVERSITY OF THE PUNJAB

Fifth Semester – 2019

Examination: B.S. 4 Years Program

Roll No. in Fig.

Roll No. in Words.

PAPER: Labor Economics

MAX. TIME: 15 Min.

Course Code: ECON-305 Part-I (Compulsory)

MAX. MARKS: 10

Signature of Supdt.:

Attempt this Paper on this Question Sheet only.

Please encircle the correct option. Division of marks is given in front of each question.

This Paper will be collected back after expiry of time limit mentioned above.

Q.1. Encircle the right answer, cutting and overwriting is not allowed. (1x10=10)

1. If there is cyclical unemployment in the economy, the Govt. might.
a) Increase interest b) Cut income tax c) Encourage saving d) Reduce Govt. spending
2. The movement of a worker from one occupation to another in the same grade is:
a) Vertical mobility b) Horizontal mobility c) Geographical mobility d) None of them
3. Union leaders are in a better position to bargain for higher wage if demand for labour is:
a) Elastic b) Inelastic c) Very large d) Permanent
4. The Philips Curve shows relationship between inflation and what?
a) Rate of growth b) Rate of price c) Balance of trade d) Unemployment
5. Sometime the supply curve of labour bends:
a) Downward b) Upward c) Backward d) Firstly upward & then downward
6. The situation in which prices and unemployment increases
a) Inflation b) Deflation c) Stagflation d) Demand pull inflation
7. In a competitive market, the demand curve for labour is given by which one of the followings:
a) Marginal revenue product b) Marginal cost c) Total revenue product d) Marginal physical product
8. Every factor of production gets rewards equal to:
a) Value of average product b) Total revenue c) Value of total product d) Value of marginal product
9. If marginal product of labour (MPL) rises because of new technology:
a) Wages will rise b) Wages will fall c) May rise or fall d) Wages will unaffected
10. fixing of minimum wages:
a) Raises demand for labour b) Raises profits c) Causes unemployment d) Is welcomed by employers



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Course Code: ECON-305 Part – II

MAX. TIME: 2 Hrs. 45 Min.

MAX. MARKS: 50

ATTEMPT THIS (SUBJECTIVE) ON THE SEPARATE ANSWER SHEET PROVIDED

Question No. 2 Write short answer to the following (4 x 5=20)

- i. Wage rigidity
- ii. Labour Market indicators
- iii. Minimum wage law
- iv. Backward bending supply of Labour Curve
- v. Trade Unions

Question No. 3

Define Philips Curve. How is it related to inflation, unemployment & wages? (10)

Question No. 4

Evaluate the effects of functioning of labour market due to discrimination by gender, race & ethnicity. (10)

Question No. 5

Discuss the major causes of unemployment in Pakistan. (10)