

SEM 1, 2016/2017

FOR THE DEGREE OF BACHELOR OF ECONOMICS

ECO 418: ECONOMICS OF LABOUR AND INDUSTRY I

Question ONE (COMPULSORY) 25 Marks.

- a) Highlight features which militate against free equilibrium in the labour market (6 Marks)
- b) Discuss the role of the state in the labour market. (6 Marks)
- c) Explain the schooling model of human resource development. (6 Marks)
- d) Outline the various forms of unemployment. (7 Marks)

Question TWO (15 Marks)

- a) Compare and contrast the subsistence theory of wages and marginal production theory (8Marks)
- b) Labour unions are “a Necessary Evil” in a developing economy. Discuss. (7 Marks)

Question THREE (15 Marks)

- a) Explain factors which influence labour supply in a development of economy (7Marks)
- b) At equilibrium, occupational wage will exist. Explain. (8 Marks)

Question FOUR (15 Marks)

- a) Derive the long run demand curve for labour. (5 Marks)
- b) (i) Discuss the causes of wage discrimination. (5 Marks)
- (ii) Under which condition can discrimination persist even in the long run? (5 Marks)

Question FIVE (15 Marks)

- a) Discuss wage and employment decisions in imperfect labour markets. (7 Marks)
- b) Explain factors which determine labour mobility. (8 Marks)