LIR 809

March 17, 2005

Questions you should be able to answer after doing the reading and attending class

1. What are the different possible labor force statuses and how are they defined?

2. How could it happen that more people could be employed but the unemployment rate could also increase?

3. What is a discouraged worker?

4. Define the labor force participation rate.

5. What are the four types of unemployment? Be able to define them and provide an example of each.

6. Why does a stock flow model of the labor market provide a better picture of the current status of the market than statistics on the unemployment rate, size of the labor force, and labor force participation rates?

7. What are the hypothesized sources of downward wage rigidity?

8. What is meant by the natural rate of unemployment?

9. How many hours must a person work per week on average to be viewed as employed full time?

10. Name four different types of alternative work arrangements.

11. What are the advantages and disadvantages to using alternative work arrangements for employers?

12. What are the advantages and disadvantages to being employed under an alternative work arrangement?

13. What criteria should be used in deciding whether to staff using an alternative versus a traditional work arrangement?