

TAVUA COLLEGE
YEAR 13 ECONOMICS
WEEKLY HOME STUDY PACKAGE – WEEK 1 (05/07/21 – 09/07/21)

SOLUTION

Activity 1

i. The labour market is a resource or factor market where demand for labour comes from the employers and supply of labour comes from those who are in the workforce and demand and supply determine the price and quantity of labour. **(1 mark)**

ii.

- A market exist for each type of labour or trade or skill.
 - Labour force structure is 15 to 55 years.
 - Trade union exists for each type of skill or trade.
 - Labour force consists of both skilled and unskilled workers.
 - Increased participation of women in the workforce and women are now actively involved in some trade which used to be male dominated.
 - Some workers are employed on part time basis while others are employed on full time basis.
- (any two points, 1 mark each)**

iii.

- relative cost of labour and capital

If cost of labour is low, there will be more demand for labour, labour demand increases whereas if cost of labour is high, employees will choose to employ capital and there will be less demand for labours thus labour demand decreases. **(1 mark)**

- Government Economic Policies

Government policies that encourage funding job creation schemes and training programs will lead to more jobs created in the country.

Government policies can also influence labour demand indirectly through policies that affect profitability of the firm e.g. legal minimum wage rate. If compulsory high minimum wage rate is implemented, the demand for labour can decrease resulting in more unemployment. **(1 mark)**

- The level of total spending

As the level of total spending increases, production level increases leading to an increase in demand for labour. **(1 mark)**

Activity 2

Research Work

Give one mark for each of the concepts researched and noted.

(7 concepts, 1 mark each = 7 marks)