

2013
[July]
ECONOMICS
Labour Economics

Full Marks: 75; Time: 3 hours

The figures in the margin indicate full marks for the questions

Answer **five** questions, selecting at least **one** from each Credit

CREDIT – I

1. What happens to the hours of work when non-labour income changes? In this context also highlight the role of the *income effect*. (15)
2. Describe the trends in wages and employment implied by the Cobweb model for the engineering market. (15)

CREDIT - II

3. What is labour productivity? Discuss the relationship between labour productivity and employment. (5+10)
4. Define the term structural unemployment and distinguish it from frictional and demand-deficient unemployment. Why might structural unemployment fall when demand-deficient unemployment declines? (10+5)

CREDIT – III

5. What are fringe benefits? Discuss the theory of Optimal Fringe Benefits and explain why they have grown over time. (3+12)
6. Discuss the various types of labour mobility. What are the main factors that determine the migration of labour? (5+10)

CREDIT – IV

7. Define the union wage gain and the union wage gap. What possible effects could be generated due to an increase in union wage? (4+11)
8. Write short notes on the following: (i) Employer discrimination (ii) Employee discrimination. (7.5+7.5)