

## 16 Multiple choice questions

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1. occurs when people are temporarily unemployed as they change jobs
  - a. seasonal unemployment
  - b. structural unemployment
  - c. frictional unemployment
  - d. cyclical unemployment
2. occurs at predictable and regular times throughout the year because of the seasonal nature of some kinds of work
  - a. seasonal unemployment
  - b. cyclical unemployment
  - c. hidden unemployment
  - d. frictional unemployment
3. refers to a situation where individuals want to work but are unable to find a job, and as a result of labour resources in an economy are not utilised
  - a. underemployment
  - b. hidden unemployment
  - c. unemployment
  - d. seasonal unemployment
4. explains the relationship between unemployment and economic growth, showing that to reduce unemployment, the annual rate of economic growth must exceed the sum of percentage growth in productivity plus increase in the size of the labour force in any one year
  - a. economic costs
  - b. unemployment
  - c. social costs
  - d. Okun's law
5. occurs because of a mismatch between the skills of the unemployed and the skills required by job vacancies
  - a. frictional unemployment
  - b. structural unemployment
  - c. cyclical unemployment
  - d. seasonal unemployment

6. refers to the level of unemployment at which there is no cyclical unemployment, i.e. where the economy is at full employment
  - a. the non accelerating rate of unemployment (NAIRU)
  - b. hard-core unemployment
  - c. seasonal unemployment
  - d. cyclical unemployment
7. refers to those persons who are working less than full time (and therefor not unemployed) but would like to work full hours
  - a. unemployment
  - b. hard-core unemployment
  - c. hidden unemployment
  - d. underemployment
8. refers to those people who can be considered unemployed but do not fit the official definition of unemployment and are thus not reflected in the unemployment statistics
  - a. seasonal unemployment
  - b. underemployment
  - c. hidden unemployment
  - d. hard-core unemployment
9. occurs because of a downturn in the level of economic activity
  - a. seasonal unemployment
  - b. frictional unemployment
  - c. cyclical unemployment
  - d. structural unemployment
10. refers to long term unemployed people who may be considered unemployable by employers because of personal circumstances such as drug use or mental or physical disabilities
  - a. cyclical unemployment
  - b. hard-core unemployment
  - c. hidden unemployment
  - d. structural unemployment
11. the government agency that regulates Australian workplaces, with functions that include the setting of minimum wages, the approval of workplace agreements and in some instances the resolution of industrial disputes
  - a. economic costs
  - b. social costs
  - c. hard-core unemployment
  - d. fair work commission

12. refers to the percentage of the population, aged 15 and over, in the labour force, that is either employed or unemployed
- hard-core unemployment
  - fair work commission
  - labour force
  - labour force participation rate
13. the number of people 15 years of age and above who are either working or actively seeking work
- social costs
  - Hysteresis
  - economic costs
  - labour force
14. the process whereby unemployment in the current period results in the persistence of unemployment in future periods as unemployed people can lose their skills, job contracts and motivation to work
- economic costs
  - social costs
  - labour force
  - Hysteresis
15. include increased inequality, poverty, family breakdown and crime
- economic costs
  - social costs
  - labour force
  - Hysteresis
16. include the opportunity cost of lost production, a decline in workforce skills, and the cost of income support for the unemployed
- social costs
  - labour force
  - unemployment
  - economic costs