***MT 4 Study Guide***

***Labor Market in a Global Economy***

1. Who is the government unemployment insurance designed to help the most?
2. What is the lowest legal hourly rate allowed by the government called?
3. How did the National Labor Relations Act of 1935 help labor unions?
4. How does collective bargaining work?
5. When there is a shortage of labor, what usually happens to the amount of products being produced?
6. What are the goals of the Department of Labor? For what reason does it exist?
7. What is human capital? How is the best way for a worker to invest in their human capital?
8. Why was NAFTA created in 1994?
9. Why is specialization so important in the business/labor market?
10. Why do workers with professional degrees tend to have greater earning power than people with doctorate degrees?
11. Why do fast food workers, teachers, and doctors all make such different salaries?
12. What tends to increase workers productivity?
13. What is the biggest factor determining the difference among wages?
14. What do education requirements automatically do to the number of people able to perform a certain job?
15. Why do people with a master’s degree tend to make double the amount of money as someone with a high school diploma?
16. What will usually happen to the prices of consumer products when the minimum wage is increased?

***Essay***

1. Analyze the three theories of wage determination. Which is most significant? Why?
2. Analyze the 4 categories of labor, why are they considered non-competing labor grades?
3. Analyze the wage differences between unskilled, semi-skilled, skilled, and professional workers. Why are there such huge differences in the amount of pay?