In-class Exercise Labor Markets							
<b>Directions:</b> Work in groups of up to four using graphs, you must clearly and corrected for an answer. All papers will be randomly selected and graded and all me	ectly label all axis and curve collected, but only one m	ves to receive non-zero nember's paper will be					
By signing below, you agree that the fithe group, and you are willing to accept a earned from this representation of your getterms to earn a non-zero grade for this as	as your own grade for the g group's work. Every memb	roup project the grade					
Signature Group Member 1	Print Name	——————————————————————————————————————					
Signature Group Member 2	Print Name	Date					
Signature Group Member 3	Print Name	 Date					
Signature Group Member 4	Print Name	——————————————————————————————————————					

Name: \_\_\_\_\_

ECO 120: Macroeconomics

1.	How do you think "jobs are created" in the economy? Who is responsible for "creating jobs"?
2.	Illustrate and describe the impact of an improvement in computer technology on the aggregate labor market. What is the impact on wages and employment in equilibrium?
3.	Suppose the population of a country increases.  (a) Describe in words (no graph yet) what is the impact on labor supply.
	(b) Describe in words (no graph yet) what is the impact on the demand for final
	goods and services.

	(c) Combine your answers from (a) and (b) and illustrate and describe the impact on the labor market. What is the impact on wages and employment in equilibrium?
1	Illustrate and describe the effect of a decrease in taxes on proprietorship income and
1.	corporate revenue on the labor market. What is the impact on wages and employment in equilibrium?
5.	Illustrate and describe the effect of a decrease in demand for workers by state and local
	governments. What is the impact on wages and employment in equilibrium?

6.	Suppose a labor market is currently in equilibrium when there is a decrease in demand for final goods across the economy.						
	(a)	Illustrate and describe the impact on the labor market. What is the impact on wages and employment in equilibrium?					
	(b)	Suppose that resistance among employers and employees prevents the wage level from falling, so that the in the short run the economy is away from its equilibrium. How does the quantity of labor demanded compare to the quantity of labor supplied? How is this situation often described?					
	(c)	Suppose eventually wages across the economy were allowed to fall. What would be the impact on the level of employment?					

7.	How do you think	"jobs are created"	' in the economy?	Who is responsible	e for "creating
	jobs"?				

8. What learning objective(s) for this class do you feel you have made progress on by completing this assignment? Provide a short description arguing why you feel these learning objectives were met.