

ECO 120: Global Macroeconomics
Week 6 Homework: Market for Labor

Name: _____

Directions: Notice that all problems ask you for a descriptive answer in addition to performing a calculation or manipulating a graphical model. For full credit, make sure that you do both. You may print these sheets and put your answers in the space provided or you may use your own paper to write your answers.

When you have finished, scan or take pictures of your work, combine all images to a single PDF file, assure that all pictures are oriented right-side up, and upload your work as a single PDF file to the Canvas Assignment area. You may use <https://www.easypdfcloud.com/> to combine your images to a single PDF file.

For each of the following problems, read the scenario and determine the following (in order):

- Does the scenario cause a shift in the demand and/or supply curve? If so, which curve, which direction?
 - Draw the supply and demand curves with appropriate shifts.
 - Label the original and new equilibrium price and quantities.
 - What is the impact of the scenario on wage? What is the impact on employment?
1. There is there is an increase in global energy costs which makes it more expensive to run factories and employ manufacturing workers.

