Chapter 10 MULTIPLE-CHOICE QUESTIONS

1. The authors suggest that unions developed primarily in response to:
   a. purposeful mistreatment by employers
   b. the inability of preindustrial workers to be self-sufficient
   c. dependency of workers on factory owners as a result of industrialization
   d. attempts by employers to achieve an eight-hour day

2. Approximately what percentage of U.S. workers were union members in 2008?
   a. 6%  b. 11%  c. 22%  d. 31%

3. Of the countries listed in the text, union membership as a percent of the labor force in 2003 was greatest in:
   a. the United States c. Canada
   b. Japan d. Sweden

4. Which one of the following is generally not associated with relatively high levels of unionization?
   a. Services c. African Americans
   b. Public administration d. Blue-collar workers

5. As of 2008, which of the following U.S. industries was less than 10% unionized?
   a. transportation, information, and public utilities
   b. public administration
   c. wholesale and retail trade
   d. construction

6. As of 2008, which of the following U.S. industries was more than 30% unionized?
   a. mining c. wholesale and retail trade
   b. construction d. public administration

7. White-collar workers:
   a. are just as likely as blue-collar workers to be union members
   b. are less likely to unionize because unionization may be an obstacle to their ambitions
   c. are more likely to unionize because the potential gains from unionization are larger
   d. are exempt from most labor legislation

8. Women are much less likely to be union members than men. This is:
   a. because women are more likely to be in less-unionized industries and occupations
   b. because women have fundamentally different attitudes about unions
   c. because unions are legally allowed to discriminate against women
   d. not true

9. Lower-paid workers potentially have more to gain from unionization. This fact explains why:
   a. women are more likely to be unionized than men
   b. Southerners are more likely to be unionized than Northerners
   c. Public-sector workers are more likely to be unionized than private-sector workers
   d. African Americans are more likely to be unionized than whites

10. Unions are most prevalent in the:
    a. urban north c. urban south
    b. nonindustrial southwest d. suburban east
11. Of the following, union membership is highest in:
   a. Florida  c. Colorado
   b. Michigan  d. Arkansas

12. In which industry is the relatively high extent of unionism and union membership growth explained by the favorable legislative climate of the 1960s and 1970s?
   a. Finance, insurance and real estate
   b. Wholesale and retail trade
   c. Transportation, communication and public utilities
   d. Public Administration

13. Which of the following is affiliated with Change to Win?
   a. Steelworkers  c. Firefighters
   b. Postal workers  d. Teamsters

14. An example of a union federation is the:
   a. American Medical Association  c. United Auto Workers
   b. Air Line Pilots Association  d. AFL-CIO

15. The level of union organization that is most likely to lobby congress for legislation that prohibits the hiring of permanent strikebreakers is the:
   a. federation  c. national union
   b. state union  d. local union

16. The level of union organization that is most likely to “organize the unorganized” is the:
   a. federation  c. state union
   b. national union  d. local union

17. Which of the following is not a major responsibility of a national union?
   a. organizing workers in its craft or industry
   b. negotiating collective bargaining agreements
   c. handling grievance procedures
   d. settling jurisdictional disputes

18. The local union has primary responsibility for:
   a. organizing workers in its craft or industry
   b. negotiating collective bargaining agreements
   c. handling grievance procedures
   d. settling jurisdictional disputes

19. Negotiating a contract with a firm and using that contract as a basis for demands made of other employers is an example of:
   a. pattern bargaining  c. coercive bargaining
   b. collective bargaining  d. multiemployer bargaining

20. Negotiating a contract with a group of firms in an industry is an example of:
   a. pattern bargaining  c. persuasive bargaining
   b. collective bargaining  d. multiemployer bargaining
21. If there are many employers in a localized market, multiemployer bargaining:
   a. benefits firms but not unions  
   b. benefits unions but not firms  
   c. benefits both firms and unions  
   d. benefits neither firms nor unions

22. Pattern bargaining is widely used in which industry?
   a. Farming  
   b. Construction  
   c. Trucking  
   d. Automotive

23. Compared to the 1950s, current union membership as a percent of the labor force in the U.S. is:
   a. the same in the private sector and higher in the public sector  
   b. lower in the private sector and higher in the public sector  
   c. the same in the private sector and lower in the public sector  
   d. lower in the private sector and lower in the public sector

24. As a percentage of the U.S. labor force, union membership peaked in the 1940s at approximately:
   a. 19%  
   b. 34%  
   c. 47%  
   d. 63%

25. Union membership as a percentage of the labor force in the U.S.:
   a. peaked in the 1920s  
   b. has fallen since the 1960s, although the absolute number of union members has continuously increased  
   c. has fallen since the 1960s, including a decline in the absolute number of union members since 1980  
   d. increased steadily since the 1880s

26. Which one of the following hypotheses is not generally given as an explanation of the change in relative union membership?
   a. managerial-opposition hypothesis  
   b. union-growth hypothesis  
   c. structural-change hypothesis  
   d. substitution hypothesis

27. “The industry mix of national output has changed from manufacturing to services.” This fact is most consistent with the:
   a. managerial-opposition hypothesis  
   b. union-growth hypothesis  
   c. structural-change hypothesis  
   d. substitution hypothesis

28. Over the last few decades, the composition of the labor force has changed to include a greater proportion of women and younger workers. This fact is most consistent with the:
   a. managerial-opposition hypothesis  
   b. union-growth hypothesis  
   c. structural-change hypothesis  
   d. substitution hypothesis

29. Over the last few decades, industrial production has shifted from the Northeast and Midwest to the South and Southwest regions of the U.S. This fact is most consistent with the:
   a. managerial-opposition hypothesis  
   b. union-growth hypothesis  
   c. structural-change hypothesis  
   d. substitution hypothesis

30. According to research by Neumann and Rissman, many government programs provide “union-like” services, which has contributed to the decline of unionization. Their findings illustrate the:
   a. managerial-opposition hypothesis  
   b. union-growth hypothesis  
   c. structural-change hypothesis  
   d. substitution hypothesis
31. Studies by Farber and by Freeman suggest that:
   a. managerial opposition has been steady over the years, and has not contributed to the 
      decline of unionization
   b. about 40% of unions’ decline can be explained by structural changes in the economy
   c. shrinking union wage premiums have made it easy for firms to employ anti-union tactics
   d. recent NLRB rulings have been increasingly favorable to unions and should stop the 
      decline in their membership

32. In response to declines in membership, unions have recently:
   a. avoided labor organization mergers
   b. intensified attempts to organize blue-collar workers as opposed to white-collar workers
   c. given increased priority to wage increases and put less emphasis on non-wage issues
   d. substituted work slowdowns for strikes as a way of preventing replacement by permanent 
      strikebreakers

33. Economists typically believe that the goal of a union is to:
   a. maximize the total employment of its members
   b. maximize the total wage income of its members
   c. bargain for the highest wage possible
   d. increase both the wages and employment of its members

34. The “monopoly union” model assumes that the union:
   a. faces a wage-employment tradeoff, given as the firm’s demand for labor curve
   b. will be able to increase both the wages and employment of its members
   c. will attempt to negotiate an “efficient contract” with the firm
   d. attempts to maximize the wage rate

Questions 35 and 36 refer to the following graph, in which $W_c$ is the competitive wage and $I_c$ is the 
union’s utility level at the competitive wage and 
employment level.

35. If this market is best represented by the 
   “monopoly union” model, the union will 
   bargain for:
   a. $W_a$ and the firm will respond by 
      hiring $Q_1$ workers
   b. $W_b$ and the firm will respond by 
      hiring $Q_2$ workers
   c. $W_a$ and the firm will respond by 
      hiring $Q_c$ workers
   d. $W_b$ and the firm will respond by 
      hiring $Q_c$ workers

36. The wage/employment combination given by $W_b/Q_2$ is:
   a. efficient
   b. inefficient in that a slightly lower wage and slightly more employment would leave both 
      the firm and the union better off
   c. inefficient in that a slightly higher wage and slightly less employment would leave both 
      the firm and the union better off
   d. inefficient in that firm profits are lower than they would be at $W_c/Q_c$
Questions 37 – 40 refer to the following graph, in which \( \pi_1 \) and \( \pi_2 \) are a firm’s isoprofit curves. The monopoly union outcome is given by point \( \bar{u} \).

37. Which of the following is a true statement?
If the firm pays:
   a. \( W_x \) and employs \( Q_x \) workers, its profit will be lower than at \( \bar{u} \)
   b. \( W_x \) and employs \( Q_x \) workers, its profit will be higher than at \( \bar{u} \)
   c. \( W_y \) and employs \( Q_y \) workers, its profit will be lower than at \( \bar{u} \)
   d. \( W_x \) and employs \( Q_x \) workers, its profit will be lower than if it pays \( W_y \) and employs \( Q_y \) workers

38. Which of the following is a true statement?
The union is indifferent between outcomes:
   a. \( \bar{u} \) and \( x \)
   b. \( \bar{u} \) and \( y \)
   c. \( x \) and \( y \)
   d. \( \bar{u} \) and any other outcome along the isoprofit line \( \pi_1 \)

39. An efficient labor contract entails
   a. a point on the labor demand curve corresponding to a wage of \( W_x \)
   b. a point on the labor demand curve corresponding to a wage of \( W_y \)
   c. a wage of \( W_u \) and employment of \( Q_x \)
   d. wage and employment levels along the line \( xy \)

40. Compared to the monopoly union outcome, wage and employment contracts along the bargaining curve between \( x \) and \( y \) entail:
   a. higher utility to the union and higher profits to the firm
   b. higher utility to the union but lower profits to the firm
   c. higher profits to the firm but lower utility to the union
   d. lower utility to the firm and lower profits to the firm

41. A strongly efficient union contract:
   a. pays a wage equal to the monopoly union wage
   b. pays a wage equal to the competitive wage
   c. sets employment at the monopoly union level
   d. sets employment at the competitive level

42. Which one of the following union lobbying activities, if successful, would increase the demand for union labor? Lobbying for legislation that:
   a. raises the price of a substitute resource
   b. raises the price of a product or service complementary to that produced by the union
   c. repeals the Davis-Bacon Act
   d. raises the price of a complementary resource
43. A union might attempt to raise both the wage rate and employment of its members by:
   a. lobbying for state licensing requirements for union jobs
   b. arguing for easing of immigration restrictions
   c. increasing the demand for the good or service that the union produces
   d. attempting to raise the price of complementary inputs

44. A union will most likely attempt to restrict the growth of labor supply if:
   a. the labor supply curve is very inelastic
   b. the labor demand curve is very inelastic
   c. there is a very slow rate of growth of labor demand
   d. there is a very elastic supply of a production substitute for union labor

45. Which of the following actions might a union use to try to restrict the growth of labor supply?
   a. Increase product demand
   b. Reduce the number of qualified workers
   c. Enhance worker productivity
   d. Reduce the wage for nonunion labor

46. The employment impact of a union-imposed above-equilibrium wage will tend to be greater:
   a. the longer the amount of time that transpires
   b. if there is a union shop clause in the labor contract
   c. the more inelastic the labor supply
   d. the more inelastic the labor demand

47. According to models of asymmetric information, strikes are more likely when:
   a. firm profitability is highly variable and uncertain
   b. there is less democracy in the union
   c. union leaders have less information regarding firm profitability than the rank and file members
   d. none of the above