

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

- 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 2014? \_\_\_\_\_  
A) 6%                                      B) 10%                                      C) 22%                                      D) 31%
- 3) Of the countries listed in the text, union membership as a percent of the labor force in 2013 was greatest in \_\_\_\_\_  
A) the United States.                                      B) Japan.  
C) Canada.                                      D) Sweden.
- 4) Which one of the following is generally *not* associated with relatively high levels of unionization? \_\_\_\_\_  
A) services                                      B) public administration  
C) African Americans                                      D) blue-collar workers
- 5) As of 2014, 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 2014, which of the following U.S. industries was more than 30% unionized? \_\_\_\_\_  
A) mining                                      B) construction  
C) wholesale and retail trade                                      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 9) \_\_\_\_\_
- 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 10) \_\_\_\_\_
- A) urban north.
  - B) nonindustrial southwest.
  - C) urban south.
  - D) suburban east.
- 11) Of the following, union membership is highest in 11) \_\_\_\_\_
- A) Florida.
  - B) Michigan.
  - C) Colorado.
  - 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? 12) \_\_\_\_\_
- 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? 13) \_\_\_\_\_
- A) steelworkers
  - B) postal workers
  - C) firefighters
  - D) teamsters
- 14) An example of a union federation is the 14) \_\_\_\_\_
- A) American Medical Association.
  - B) Air Line Pilots Association.
  - C) United Auto Workers.
  - 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 15) \_\_\_\_\_
- A) federation.
  - B) state union.
  - C) national union.
  - D) local union.
- 16) The level of union organization that is most likely to "organize the unorganized" is the 16) \_\_\_\_\_
- A) federation.
  - B) national union.
  - C) state union.
  - D) local union.
- 17) Which of the following is *not* a major responsibility of a national union? 17) \_\_\_\_\_
- 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. B) collective bargaining.  
 C) coercive bargaining. D) multiemployer bargaining.
- 20) Negotiating a contract with a group of firms in an industry is an example of \_\_\_\_\_  
 A) pattern bargaining. B) collective bargaining.  
 C) persuasive 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.

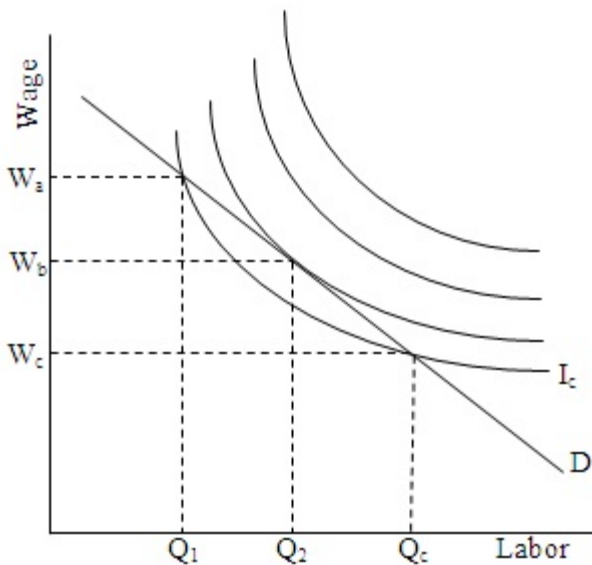
- 26) Which one of the following hypotheses is *not* generally given as an explanation of the change in relative union membership? 26) \_\_\_\_\_  
A) managerial-opposition hypothesis                      B) union-growth hypothesis  
C) structural-change hypothesis                            D) substitution hypothesis
- 27) "The industry mix of national output has changed from manufacturing to services." This fact is most consistent with the 27) \_\_\_\_\_  
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 28) \_\_\_\_\_  
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 29) \_\_\_\_\_  
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 30) \_\_\_\_\_  
A) managerial-opposition hypothesis.                      B) union-growth hypothesis.  
C) structural-change hypothesis.                            D) substitution hypothesis.
- 31) Studies by Farber and by Freeman suggest that 31) \_\_\_\_\_  
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 32) \_\_\_\_\_  
 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 33) \_\_\_\_\_  
 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 34) \_\_\_\_\_  
 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.

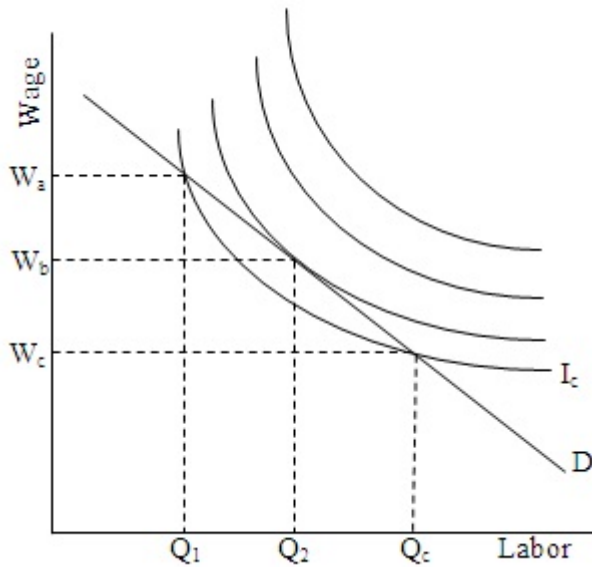
35) Refer to the following graph, in which  $W_c$  is the competitive wage and  $I_c$  is the union's utility level at the competitive wage and employment level. 35) \_\_\_\_\_



If this market is best represented by the "monopoly union" model, the union will bargain :  
 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) 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.

36) \_\_\_\_\_

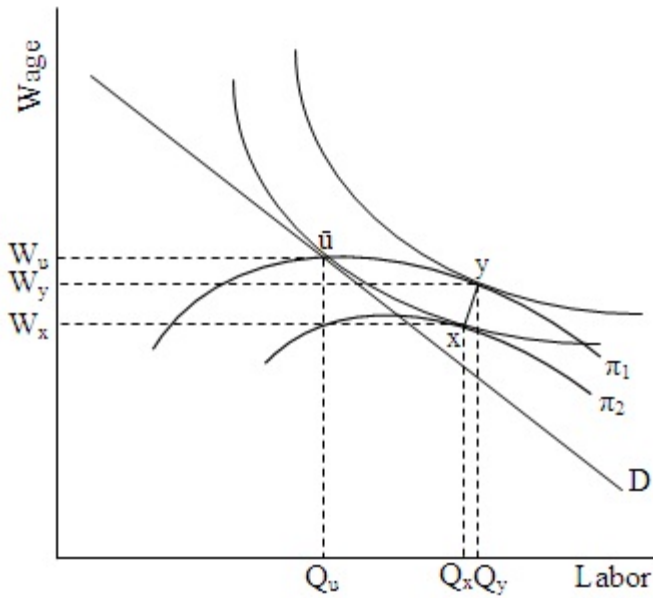


The wage/employment combination given by  $W_b/Q_2$  is

- 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  $W_c/Q_c$ .

37) 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) \_\_\_\_\_

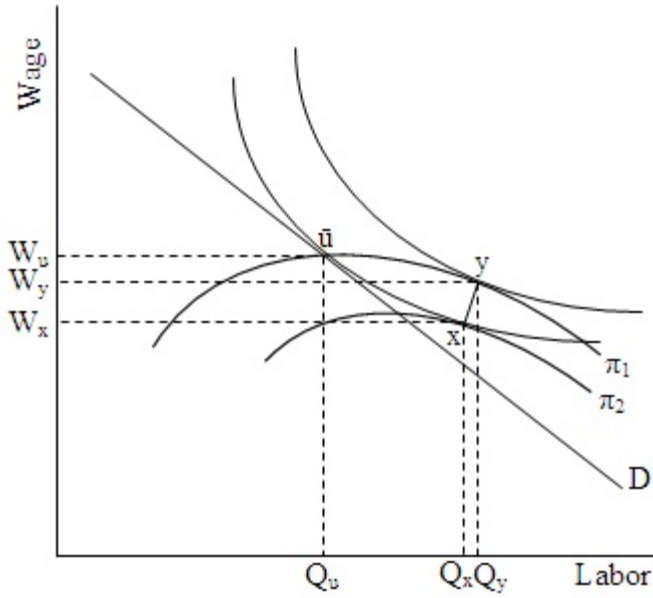


Which of the following is a true statement? If the firm pays

- 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) 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  $\bar{u}$ .

38) \_\_\_\_\_



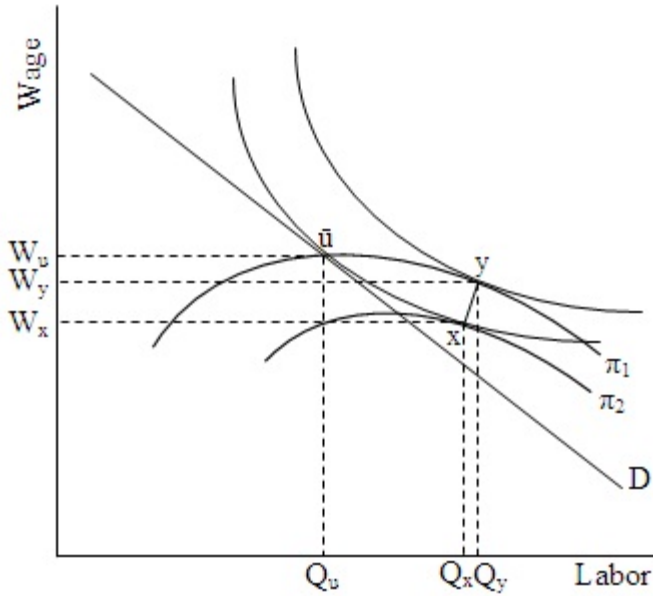
Which of the following is a true statement? The union is indifferent between outcomes

- 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) 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  $\bar{u}$ .

39) \_\_\_\_\_

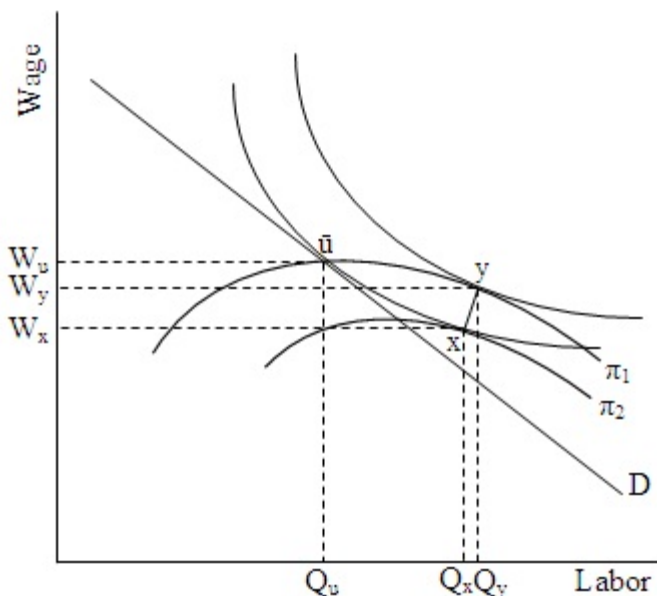


An efficient labor contract entails

- 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) 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  $\bar{u}$ .

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

41) \_\_\_\_\_

- 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.

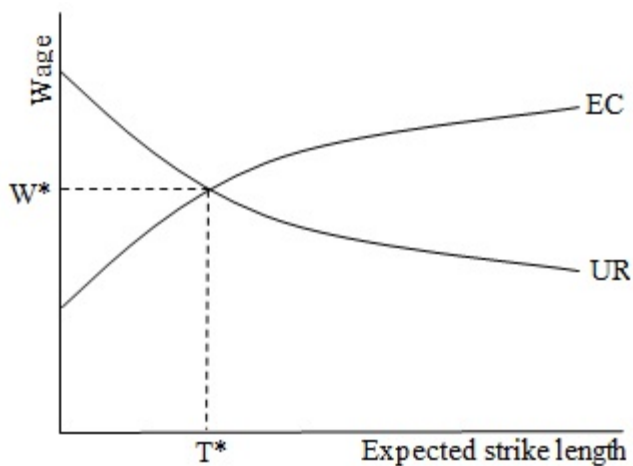
42) Which one of the following union lobbying activities, if successful, would increase the demand for union labor? Lobbying for legislation that

42) \_\_\_\_\_

- 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 43) \_\_\_\_\_  
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 44) \_\_\_\_\_  
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 45) \_\_\_\_\_  
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 46) \_\_\_\_\_  
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 47) \_\_\_\_\_  
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 these answers are likely.

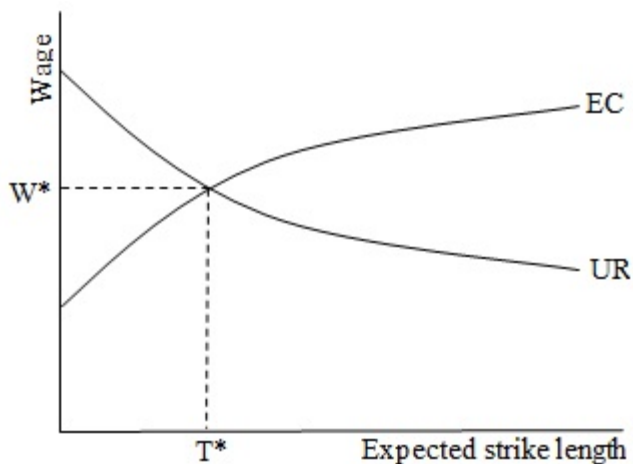
48) Refer to the following diagram, in which EC is the employer concession curve and UR is the union resistance curve. 48) \_\_\_\_\_



If both the union and the firm know the shape and position of the other's concession curve

- A) a strike of length  $T^*$  will occur.
- B) the parties will agree on a wage of  $W^*$ .
- C) both a strike of length  $T^*$  will occur and the parties will agree on the wage of  $W^*$ .
- D) neither a strike of length  $T^*$  will occur nor will the parties agree on the wage of  $W^*$ .

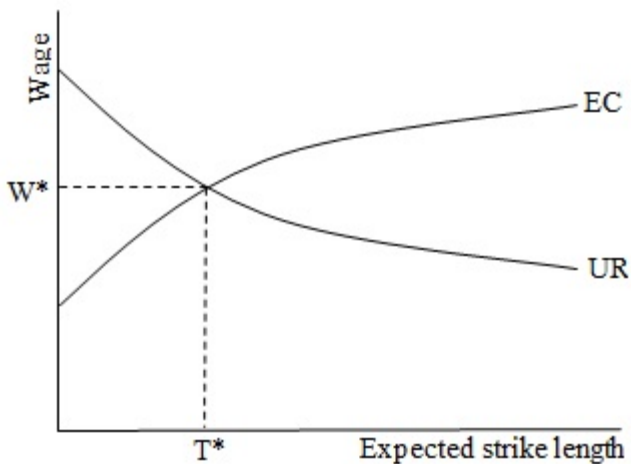
49) Refer to the following diagram, in which EC is the employer concession curve and UR is the union resistance curve. 49) \_\_\_\_\_



The UR curve will shift up if the expected costs of a strike to the

- A) union are reduced.
- B) union are increased.
- C) firm are reduced.
- D) firm are increased.

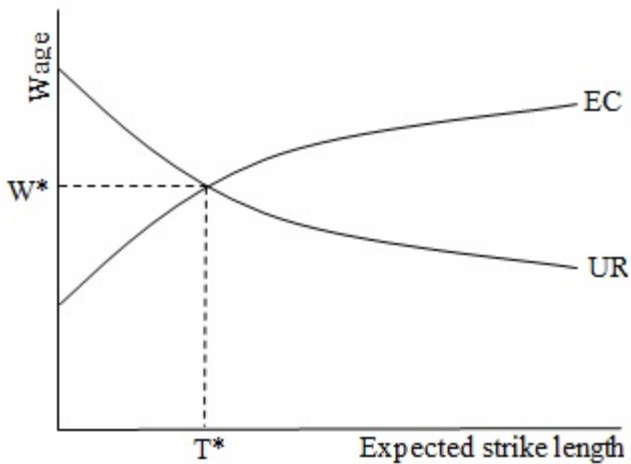
50) Refer to the following diagram, in which EC is the employer concession curve and UR is the union resistance curve. 50) \_\_\_\_\_



The model assumes that, as the expected length of a strike increases

- A) union wage demands fall and firm wage concessions increase.
- B) union wage demands increase and firm wage concessions decrease.
- C) uncertainty about the union's resistance and the employer's concessions increases.
- D) uncertainty about the union's resistance and the employer's concessions decreases.

51) Refer to the following diagram, in which EC is the employer concession curve and UR is the union resistance curve. 51) \_\_\_\_\_



The more elastic the demand for labor, the

- A) higher the UR curve.
- B) lower the UR curve.
- C) higher the EC curve.
- D) lower the EC curve.

- 52) If employers are prohibited from hiring permanent strikebreakers 52) \_\_\_\_\_
- A) union bargaining power will likely fall.
  - B) management bargaining power will likely increase.
  - C) firms will have only one alternative under labor law-to fire strikers.
  - D) the length of strikes will likely decrease.
- 53) If labor unions are successful in their lobbying efforts to have the WTO include labor and environmental standards in future agreements 53) \_\_\_\_\_
- A) world-wide labor costs would fall and reduce inflation, thereby increasing real wages.
  - B) foreign labor and product costs would rise, thereby increasing the demand for unionized workers in the U. S.
  - C) living conditions would improve in developing countries, thereby increasing their rates of economic growth.
  - D) labor and production costs would decrease in developing nations, thereby improving prospects for unions to win certification votes in those countries.
- 54) Which one of the following is a true statement? 54) \_\_\_\_\_
- A) Although theory suggests the decline of unionization should have increased income inequality, empirical research suggests that the opposite occurred
  - B) Although theory suggests the decline in unionization should have reduced income inequality, empirical research suggests that the opposite occurred
  - C) In theory, the decline in unionization may either reduce or increase income inequality, however empirical research suggests it has increased it, particularly among males
  - D) In theory, the decline in unionization may either reduce or increase income inequality, however empirical research suggests it has reduced it, particularly among females