Chapter 13 MULTIPLE-CHOICE QUESTIONS

1. Prior to the 1930s, union membership growth was relatively:
   a. slow, due to the use of blacklisting, injunctions, and yellow dog contracts
   b. slow, due to the widespread use of lockouts and strikebreakers authorized under the Norris-LaGuardia act
   c. rapid, due to the favorable court treatment of union activity provided by passage of the Sherman Act of 1890
   d. rapid, due to favorable court interpretations concerning workers’ property rights

2. “Yellow-dog contracts”:
   a. were used by employers to restrict union membership
   b. require workers to join a union as a condition of continued employment
   c. were upheld by the Taft-Hartley Act
   d. were outlawed by the Landrum-Griffin Act

3. A court order to prevent actions such as picketing, striking, and boycotting is called a(n):
   a. yellow-dog contract   c. lockout
   b. blacklist    d. injunction

4. The “twin rights” of labor (self-organization and collective bargaining) were guaranteed by the:
   b. Wagner Act    d. Landrum-Griffin Act

5. Of the following laws, which one contributed most to union membership?
   a. Landrum-Griffin Act   c. Sherman Act
   b. Norris-LaGuardia Act    d. Taft-Hartley Act

6. Which of the following outlawed company unions?
   b. Wagner Act    d. Landrum-Griffin Act

7. Which of the following gave states the option to pass so-called “right-to-work” laws?
   b. Wagner Act    d. Landrum-Griffin Act

8. Public sector union growth was most encouraged by:
   a. the Wagner Act
   b. the Taft-Hartley Act
   c. The Landrum-Griffin Act
   d. a series of executive orders and state laws recognizing the rights of public sector workers to organize

9. According to the Taft-Hartley Act, which of the following is not an unfair labor practice by unions?
   a. Striking a company over a jurisdictional dispute with another union
   b. Striking a company as a means of trying to obtain a collective bargaining agreement with that firm
   c. Striking a company to show sympathy for another union in obtaining employer recognition
   d. Setting excessive union dues
10. The Landrum-Griffin Act:
   a. established unfair labor practices by employers
   b. declared yellow-dog contracts unenforceable
   c. outlawed the closed shop
   d. required regularly scheduled elections of union officers

11. Which one of the following laws most dramatically increased union bargaining power?
   a. Sherman Act    c. Taft-Hartley Act
   b. Wagner Act    d. Landrum-Griffin Act

12. The prohibition of secondary boycotts:
   a. reduced management’s bargaining power by reducing the union’s cost of disagreeing
   b. reduced management’s bargaining power by reducing management’s cost of disagreeing
   c. increased management’s bargaining power by increasing the union’s cost of disagreeing
   d. increased management’s bargaining power by increasing management’s cost of disagreeing

13. Which of the following increased management’s bargaining power?
   a. Limiting the use of injunctions to enjoin a strike
   b. Limiting the use of “hot-cargo” clauses
   c. Limiting the use of “yellow-dog” contracts
   d. Creation of the National Labor Relations Review Board

14. Which of the following established unfair labor practices by unions?
   a. Norris-LaGuardia Act   c. Wagner Act
   b. Taft-Hartley Act   d. Landrum-Griffin Act

15. Which of the following established unfair labor practices by employers?
   a. Norris-LaGuardia Act   c. Wagner Act
   b. Taft-Hartley Act   d. Landrum-Griffin Act

16. According to the Wagner Act, which of the following is not an unfair labor practice by employers?
   a. Firing an employee who joins or sympathizes with a union
   b. Establishing a company union
   c. Interfering with union organizing activity
   d. Failing to reach a collective bargaining agreement after bargaining in good faith

17. Which one of the following required unions to hold regularly scheduled elections of union officers?
   a. Norris-LaGuardia Act   c. Wagner Act
   b. Taft-Hartley Act   d. Landrum-Griffin Act

18. The federally mandated minimum wage:
   a. is adjusted each year by an act of Congress to account for inflation
   b. typically falls in value owing to inflation until periodically adjusted by Congress
   c. is adjusted automatically whenever its inflation-adjusted value falls below its original value established in 1938
   d. is substantially below its original 1938 value in real terms because of the effect of inflation
19. A majority of the workers earning the minimum wage:
   a. are males                      c. work full-time
   b. are females                    d. are teenagers

Questions 20 – 22 refer to the diagram below, which shows a competitive low-wage labor market:

![Diagram showing labor supply and demand curves]

20. Consider the diagram. Suppose the government establishes a minimum wage of $7.00 in this market. Employment would decline by _____ workers and unemployment would increase by _____ workers.
   a. 20, 20  b. 20, 35  c. 35, 20  d. 35, 35

21. Consider the diagram. Suppose the government establishes a minimum wage of $7.00 in this market. Which of the following is a true statement?
   a. Demand is elastic over the relevant range, so that total wage income rises
   b. Demand is elastic over the relevant range, so that total wage income falls
   c. Demand is inelastic over the relevant range, so that total wage income rises
   d. Demand is inelastic over the relevant range, so that total wage income falls

22. Consider the diagram. Suppose the government establishes a minimum wage of $7.00 in this market. If all displaced workers subsequently contribute an amount equal to their next most productive employment, the net loss of domestic output is:
   a. $17.50  b. $40  c. $50  d. $75

23. A monopsonist is currently paying its 1,000 workers $5.00 per hour. However, its marginal wage cost is $6.00 per hour. If the government sets a minimum wage of $5.50, then:
   a. employment at this firm will rise
   b. employment at this firm will fall
   c. employment at this firm will be unaffected
   d. employment at this firm will rise but the firm’s total wage bill will fall

24. Increases in the minimum wage tend to:
   a. increase both formal schooling and general on-the-job training
   b. increase formal schooling and reduce general on-the-job training
   c. reduce formal schooling and increase general on-the-job training
   d. reduce both formal schooling and general on-the-job training
Questions 25 – 27 refer to the following diagram.

25. Suppose this labor market is competitive, so that the wage rate is $W_2$ and employment is $Q_3$. If $W^*$ is imposed as the minimum wage, then employment in this market:
   a. will rise
   b. will fall
   c. will remain the same
   d. may or may not change; more information is required

26. Suppose this labor market is monopsonistic, so that the wage is $W_1$ and employment is $Q_1$. If $W^*$ is imposed as the minimum wage, then employment in this market:
   a. will rise to $Q_2$
   b. will rise to $Q_4$
   c. will fall
   d. will remain the same

27. Suppose this firm is a perfectly discriminating monopsonist. If $W^*$ is imposed as the minimum wage, then:
   a. employment will rise from $Q_1$ to $Q_2$
   b. employment will fall from $Q_3$ to $Q_1$
   c. employment will fall from $Q_3$ to $Q_2$
   d. employment will be unaffected

28. Examining evidence on the impacts of increases in state minimum wages in New Jersey and California, Card and Krueger found:
   a. substantial reductions in employment, particularly among teens
   b. no increases in wages of low-wage workers, because employers flouted the law
   c. no evidence of reductions in employment
   d. poor quality of the data collected by Neumark and Wascher

29. Which one of the following claims concerning the minimum wage is generally supported by empirical evidence?
   a. The minimum wage has only a minor impact on the overall degree of income inequality
   b. The minimum wage has increased teenage employment as a result of the shock effect
   c. Union members suffer the greatest negative impacts of the minimum wage
   d. The reduction in teen employment due to the minimum wage is less than the increase in unemployment