**RWS #17: Wage Determination in the Labour Market**

**Due for w/b 22nd January 2017**

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| **GENERAL INSTRUCTIONS:**  *Please complete a revision worksheet summarizing the work from the last two to three weeks. The work should be taking you* ***up to 2 hours*** *to complete and should consist of a 1 A4 double paged summary based on the questions below. Please print out a double sided version to be handed in and marked on the date above (emails will not be accepted so make sure you are printing off your sheet before the lesson).*  *Remember to use all of the space over your two sides of A4 and make sure the ‘margins’ in Word are put as ‘narrow’. Feel free to reduce the size of the font if you are running out of space but nothing less than size 10. A better way to reduce would be to reread what you have written and try to be more succinct; it must fit onto two sides of A4 only!*  *You should be reading and using all the compulsory resources below (remember you will have already read an awful lot of these for homework and in class but there are a few extras I want you to read.*  *This revision worksheet should be taking you 2.25 to 3 hours…I suggest you spend 45 minutes writing up all your notes from class into a rough draft. Then, spend the next 45m-1.5hrs reading the compulsory resources and any extra information or clarifying concepts if you do not understand them. Then use the final 30-45 minutes to edit the work, make it look pretty and print it off.*  *When you hand in these revision worksheets, they are not speculative attempts to see if you understand the material; I am expecting you to have spent the time in and out of the classroom learning it. Thereforeo make use of the extra support available to you: (1) emails to Olly to seek clarification on specific points (2) Economics lunchtime workshop drop ins on Mondays, Wednesdays and Fridays in room 206 (3) 1-2-1 15 minute slot outside of lessons.*  *REMEMBER THAT IF YOU DO NOT HAVE A PRINTER AT HOME YOU MUST FIND TIME BEFORE THE LESSON TO PRINT IT OFF AT COLLEGE*  *ALSO MAKE SURE THAT AS WELL AS STORING A COPY ON A MEMORY STICK, YOU ALSO EMAIL YOURSELF SO THERE CAN BE NO COMPUTER ISSUES WHEN IT COMES TO PRINTING OFF YOUR WORK* |
| **SOURCES**  **Compulsory**   1. **TEXTBOOK (see GOL Library Page to download for free or buy online - £20-25):** pp 92-101 2. **NOTES:** Class and PREP homework notes (in your bag!) including department worksheets issued in class (available on GOL). Remember to include the PREP work as well! This is important for context and case studies. 3. **POWERPOINT:** See the powerpoint slides on GOL. 4. **ARTICLES:** On GOL under ‘compulsory reading’    1. Automation threat in the Telegraph (already read in class)    2. The Robot Revolution in the UK    3. Criticisms of the Labour Market Model    4. Flexible Labour Market Debate   **EXTENSION (IF YOU HAVE TIME, TRY TO READ OR WATCH THESE)**   1. ARTICLES    1. The era of cheap labour is over    2. Labour Demand    3. Labour Market Supply    4. Wage Determination 2. Recommended Websites:    1. Economics Help Website    2. Tutor2U Website 3. Other specific resources?   **ALL OF THESE RESOURCES CAN BE FOUND ON GODALMING ONLINE – ANY ISSUES, EMAIL OLLY on** [**ods@godalming.ac.uk**](mailto:ods@godalming.ac.uk) |

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| **TITLE: RWS 17: *Wage Determination in the Labour Market***  **Introduction to the Labour Market and Product Market (1/4 side of A4)**   * What is the different between the supply and demand in the product and labour markets? Draw two diagrams (one above the other) to help explain this. Compare the y-axis of both markets as well. * Explain why Labour is considered to be a ‘derived demand’   **Issues in the Labour Market TODAY (3/4 side of A4)**   * **POOR QUALITY JOBS:** What is a ‘flexible labour market’ (HINT: zero contract hours is an example) and what are the advantages and disadvantages of flexibility to a labour market? * **UNEMPLOYMENT:** What is the productivity puzzle? What is unemployment in the UK currently? What impacts (good and bad) have Globalisation had on the UK labour market (think Immigration, technology increases, BREXIT etc.)? * **THE FUTURE:** What threat does increased automation, progression in robotics and artificial intelligence mean for workers? Why might it be an opportunity?   **Labour Supply and Demand Curves (1/2 side of A4)**   * **Labour Demand:** Draw a diagram and then explain what causes a movement along the curve and a shift in the curve. Remember to include discussions about MRP theory in the shifts. Illustrate your explanation with examples. * **Labour Supply:** Draw a diagram for an individual (backward bending) and the market (upward sloping). Explain what causes the individual curve to be backward bending (make reference to income and substitution effects). Explain what causes a movement along the supply curve (monetary considerations) and what causes shifts in the supply curve (non-monetary considerations). Illustrate your explanations with examples. * **Elasticity of supply and demand –** draw two diagrams to demonstrate the elasticity of labour demand and supply. Explain the factors which might affect the elasticity of these two curves using examples   **Wage Determination (1/2 side of A4)**   * Using both MRP and supply theory, explain why doctors will get paid more than nurses? Use a diagram to help with your explanation. * Using both MRP and supply theory, explain why a Premiership footballer gets paid more than a teacher. * What are the criticisms of the labour supply and demand wage determination model? Why do some critics claim it is unrealistic? * What other factors might affect the difference between two professions? |

**REMEMBER YOU NEED TO SUMMARISE THESE SUB-TITLES onto only 1 A4 PIECE OF PAPER (double sided – please use all available space; aim for narrow margins and make sure your fonts are not too big)**

**PLEASE DO NOT LEAVE THIS TILL THE LAST MINUTE. START IT EARLY AND THEN YOU CAN SEE ME IF THERE ARE ANY PROBLEMS**