

Economics

Section II (continued)

Marks

Question 22 (10 marks)

The table shows labour force and population information for a nation.

<i>Labour force data</i>	<i>Number of persons (million)</i>
Employed persons	9
Unemployed persons	1
Population of working age	16
Total population	20

(a) Calculate the labour force unemployment rate for this nation.

~~9 million~~ / ~~17 million~~ × 100 = ~~53%~~
 1 million / 16 million × 100 = 6.25%

1

(b) Calculate the labour force participation rate for this nation.

9 million / 17 million × 100 = 53%

1

Question 22 continues on page 12

Question 22 (continued)

- (c) Explain ONE economic and ONE social cost created by unemployment. 4

Economic cost caused by unemployment would include increasing government payments to the large number of people unemployed through unemployment benefits and other benefits to the unemployed.

A social cost which may be brought about by unemployment, is crime. Crime is likely to happen due to unemployment to some people. People may steal money or even kill for it.

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- (d) Explain how TWO economic policies could be used by the Australian Government to reduce the level of unemployment. 4

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End of Question 22