Multiple Choice
Identify the letter of the choice that best completes the statement or answers the question.

1. Which of the following is correct?
   a. Some degree of unemployment is inevitable.
   b. Other things the same an increase in the number of people who are unemployed decreases real GDP.
   c. Cyclical unemployment is inversely related to short-run economic fluctuations.
   d. All of the above are correct.

2. The BLS produces data on
   a. unemployment.
   b. types of employment.
   c. length of the average workweek.
   d. All of the above are correct.

3. Sally is on a temporary layoff from the factory where she makes plastic tableware. If Sally participates in the BLS survey, she will be classified as
   a. unemployed and in the labor force.
   b. unemployed and out of the labor force.
   c. employed and in the labor force.
   d. employed and out of the labor force.

4. Which of the following definitions is correct?
   a. Labor force = number of employed.
   b. Labor force = population - number of unemployed.
   c. Unemployment Rate = (number of unemployed ÷ [number of employed + number of unemployed]) × 100.
   d. Unemployment Rate = (number of unemployed ÷ adult population) × 100.

5. Since 1950, the labor force participation rate of women has
   a. increased. This can be attributed to longer lives.
   b. increased. This can be attributed partly to advances in birth control.
   c. decreased. This can be attributed partly to longer schooling.
   d. decreased. This can be attributed partly to increases in the minimum wage.

6. The reported unemployment rate should be viewed as
   a. a useful but imperfect measure of joblessness.
   b. clearly smaller than the true unemployment rate.
   c. clearly larger than the true unemployment rate.
   d. being very close to the true unemployment rate.

7. If someone became unemployed, it is likely
   a. that they will be unemployed a long time and that most of the unemployed they join have been unemployed a long time.
   b. that they will be unemployed for a long time, even though most of the unemployed they join have been unemployed for a short time.
   c. that they will be unemployed for a short time, even though most of the unemployed they join have been unemployed for a long time.
   d. that they will be unemployed for a short time, and that most of the unemployed they join have been unemployed for a short time.
8. The natural unemployment rate includes
   a. both frictional and structural unemployment.
   b. neither frictional nor structural unemployment.
   c. structural, but not frictional unemployment.
   d. frictional, but not structural unemployment.

9. People who are unemployed because of job search are best classified as
   a. cyclically unemployed.
   b. structurally unemployed.
   c. frictionally unemployed.
   d. discouraged workers.
# Answer Section

## MULTIPLE CHOICE

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