

# 3.4 Trade Unions

## Question Paper

Course	CIEIGCSE Economics
Section	3. Microeconomic Decision Makers
Topic	3.4 Trade Unions
Difficulty	Medium

**Time allowed:** 20  
**Score:** /9  
**Percentage:** /100

### Question 1

When might a trade union be most likely to achieve a good pay deal for its members?

- A. when labour costs are a high percentage of the firm's total costs
- B. when rival firms successfully introduce an alternative product
- C. when the firm is introducing capital-intensive production
- D. when the firm is making large profits

[1 mark]

### Question 2

Which task is **not** a function of a trade union?

- A. agreeing the minimum number to be employed on a particular job
- B. deciding on the level of a national minimum wage
- C. negotiating working hours and conditions of work
- D. providing legal advice on unfair dismissal

[1 mark]

### Question 3

A country experiences a long strike by railway workers.

What would be the macroeconomic impact of such a strike?

- A. National output would fall.
- B. Railway workers would lose income.
- C. The demand for taxi services would rise.
- D. The profits of railway operators would fall.

[1 mark]

### Question 4

What is a trade union?

- A. a business organisation in which all workers share ownership
- B. an area where there are no barriers to trade
- C. an organisation of employers from an industry
- D. an organisation that represents the interests of workers

[1 mark]

### Question 5

A German car manufacturer builds a factory in India. A group of Indian workers at the factory join a trade union.

What would this trade union be expected to do for the workers?

- A. Encourage the workers to bargain individually with the employer.
- B. Negotiate with the German government on tariff reductions for Indian-produced cars.
- C. Promote an advertising campaign to sell more Indian cars.
- D. Protect the workers against unfair dismissal by the employer.

[1 mark]

### Question 6

A trade union succeeds in raising the wages in an industry above the current equilibrium wage.

How would the demand and supply of labour change?

	change in quantity of labour demanded	change in quantity of labour supplied
<b>A</b>	fall	fall
<b>B</b>	fall	rise
<b>C</b>	rise	fall
<b>D</b>	rise	rise

[1 mark]

### Question 7

What will make it harder for a trade union to increase the wage rate for its members, without reducing employment?

- A. a switch from short-term to long-term fixed contracts of employment
- B. an increase in the number of substitutes for the product
- C. growth in an economy and increased demand for labour
- D. lower price elasticity of demand for the product

[1 mark]

### Question 8

What would put a trade union in a strong bargaining position to negotiate higher wages for its members in a particular firm?

- A. The demand for the product produced by the workers has an inelastic demand.
- B. The economy is experiencing high unemployment.
- C. The proportion of the firm's workers in the union is low.
- D. Wage costs are a high proportion of total costs for firms in the industry.

[1 mark]

### Question 9

When is a trade union likely to have more power to increase its members' wages?

- A. when imports are increasing
- B. when labour supply is increasing
- C. when output is increasing
- D. when unemployment is increasing

[1 mark]