



**NATIONAL OPEN UNIVERSITY OF NIGERIA  
FACULTY OF SOCIAL SCIENCES  
DEPARTMENT OF ECONOMICS  
2024\_2 EXAMINATION**

**COURSE TITLE:** LABOUR ECONOMICS  
**COURSE CODE:** ECO 723  
**CREDIT UNITS:** 2 UNITS  
**TIME ALLOWED:** 2 HOURS  
**INSTRUCTION:** ANSWER ANY THREE (3) QUESTIONS

**QUESTION ONE**

- 1a.** Of what importance is education to an individual? **(8 marks)**
- 1b.** With appropriate diagrams describe wage determination in perfectly competitive labour markets. **(15 marks)**

**QUESTION TWO**

- 2a.** What is a trade union? How does a trade union function/operate? **(13 marks)**
- 2b.** With the aid of an appropriate diagram explain how a monopsony firm effects wage determination and employment level. **(10 marks)**

**QUESTION THREE**

- 3a.** What is collective bargaining? Outline the main characteristics of collective bargaining **(13 marks)**
- 3b.** Suggest policies that can help reduce labour market discrimination **(10 marks)**

**QUESTION FOUR**

- 4a.** What is wage differential? Briefly explain the reasons for wage differentials **(13 marks)**
- 4b.** Discuss the income and substitution effects of a rise in wage on labour supply curve. **(10 marks)**