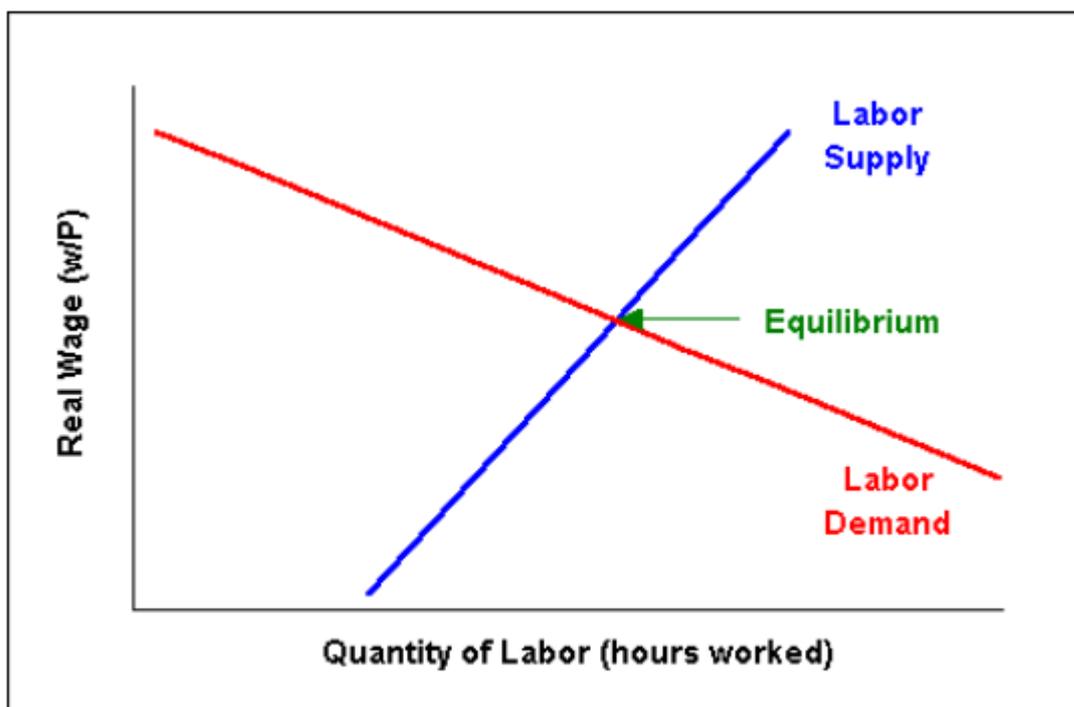


Use a graphical illustration to describe briefly what the influence of each of the following would be on the market supply of labour.

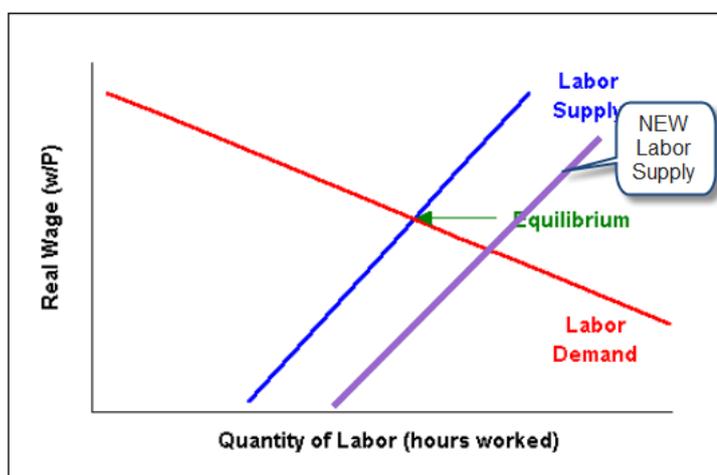
- a) An increase in immigrants
- b) A reduction in wage rates
- c) More women entering the labour market
- c) More students studying full-time

Answer:

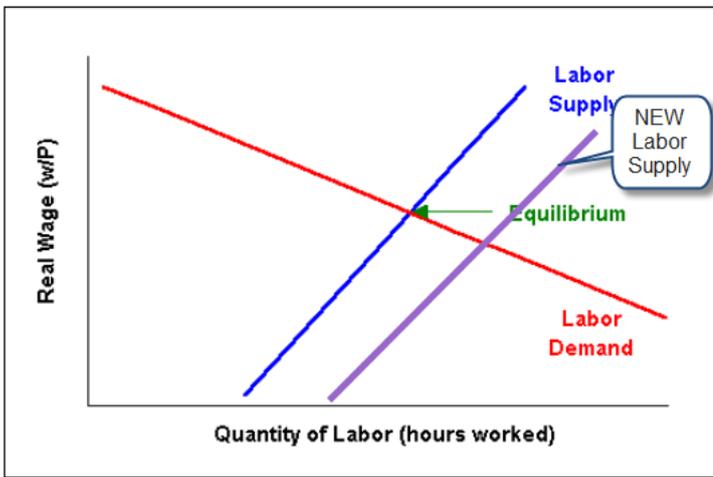
Initial equilibrium situation



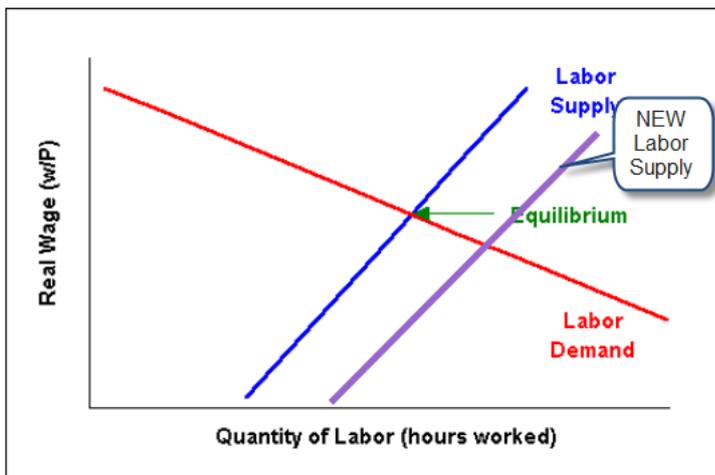
- a) An increase in immigrants- will increase quantity of labor and decrease relative wage



- b) A reduction in wage rates - will shift supply to the right



c) More women entering the labour market – will decrease average real wage



d) More students studying full-time - will decrease average real wage

