

### Answer on Question #48526, Economics, Microeconomics

Labour supply may be “backward-bending” (higher wages leading to less labour supplied) only if leisure is an inferior good. Explain why each of the following statements is True, False, or Uncertain according to economic principles.

Statement is False. Individuals time and intensity of work supply has a certain rational constraints. Wage rates increasing does not always lead to increasing in employment and labor intensity. A person, targeted to a certain level of satisfaction of material needs, increases the intensity and not working after reaching the appropriate level of earnings. Individual labor supply curve is shown on the graph. The point  $m$  characterizes the level of earnings, after reaching which the individual reduces the supply of labor.

