ANSWERS - Chapter 9 – Unemployment and Inflation – Quick Quiz

TYPES OF UNEMPLOYMENT

1. When the U.S. economy has achieved full employment, the unemployment rate is between:   
A. 5 and 6 percent.  
**B. 4 and 5 percent.**  
C. 3 and 4 percent.  
D. 2 and 3 percent.

2. Which of the following constitute the types of unemployment occur at the natural rate of unemployment?   
A. frictional and cyclical unemployment.  
**B. structural and frictional unemployment.**  
C. cyclical and structural unemployment.  
D. frictional, structural, and cyclical unemployment.

3. Assume that Kyle is temporarily unemployed because he has voluntarily quit his job with company A and will begin a better job next week with company B. Kyle will be considered as:   
A. cyclically unemployed.  
**B. frictionally unemployed.**  
C. secularly unemployed.  
D. employed.

4. Susie has lost her job in a Vermont textile plant because of import competition. She intends to take a short course in electronics and move to Oregon where she anticipates that a new job will be available. We can say that Susie is faced with:   
A. secular unemployment.  
B. cyclical unemployment.  
**C. structural unemployment.**  
D. frictional unemployment.

5. The type of unemployment associated with recessions is called:   
A. frictional unemployment.  
B. structural unemployment.  
**C. cyclical unemployment.**  
D. seasonal unemployment.