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.