

Topics in Economics: Final Exam

18/03/2024 (2h)

Circle the right answer(s) to the following questions.

1. The ultimatum game experiment shows that: (1 point)
 - a. economic agents readily engage in blackmail when they don't fear the consequences
 - b. economic agents perform altruistic actions because of peer pressure
 - c. economic agents feature some form of other-regarding preferences

2. According to the classical point of view: (1 point)
 - a. a carbon tax can be chosen so as to cancel exactly the social externality of carbon emission
 - b. the price of emitting carbon should be set lower for firms that engage in green production
 - c. big carbon emitters should be discouraged by paying higher taxes

After reading the supplied documents¹, find the right answer(s) to the following questions

3. Which of the following statement(s) is true? (1 point)
 - a. after workers and firms have learned the good practices, working from home is more efficient than working in the office
 - b. over time, the productivity of working from home has decreased for all firms
 - c. the willingness to work from home by many workers will tend to decrease wage rates

4. Which of the following statement(s) is true? (1 point)
 - a. the current low level of average hours per worker is a consequence of the pandemic
 - b. as countries reach higher development stages, hours worked tend to decrease
 - c. in average, men with young children wish they could work more

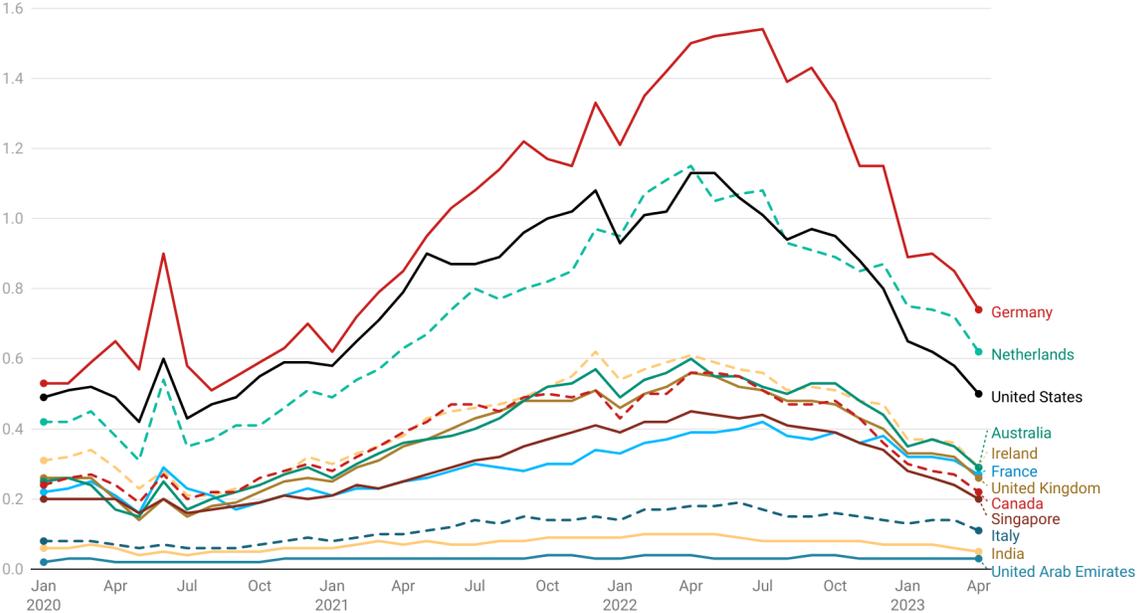
5. Which of the following statement(s) is true? (1 point)
 - a. since green jobs are paid more in average, there is high competition among workers to get them
 - b. low-skill workers are more exposed to the transition to green jobs than high-skill workers
 - c. a green job, is defined as a carbon-neutral job

¹You should have received three documents untitled *Productivity, amenity value, and the future of remote work*, *Why the reduction in European workers' hours after the pandemic is here to stay*, *Labour markets in the green economy*,

Using the documents and the graph, explain why the job market is currently abnormally tight. Respond in less than two pages. (15 points)

Labor Market Tightness by Country

Ratio of active openings to active applicants



Source: LinkedIn Economic Graph • Created with Datawrapper

Figure 1: Labour Market Tightness