

ASSIGNMENT

1. What is meant by the term 'wage's? What is the difference between real wages and nominal wages?
2. In the monopsony model what determines employment and real wage rate?
3. When the supply is less than perfectly elastic, why the marginal labour cost is greater than the wage rate?
4. What is bilateral monopoly? What determines wage rate in a labour market of this type?
5. What is a monopsonist's marginal expenditure function?