

Chapter 19

1. Within each of the following pairs of workers, which worker is likely to earn more and why? (It may be obvious which one is paid more. The real issue is to explain why one is paid more than the other.)
 - a. A carpenter working at the top of a 600-foot cooling tower of a nuclear power plant or a carpenter who frames houses?
 - b. A shop assistant in a supermarket store or a lawyer?
 - c. A lawyer with one year of experience or a lawyer with six years of experience?
 - d. A worker in a car factory who works the day shift or a worker in a car factory who works the night shift?
 - e. An economics professor or a corporate economist?
 - f. A history professor or an economics professor?
 - g. Someone trained as a key-punch operator (typist who types input commands on cards to be read by a mainframe computer prior to the existence of computer terminals) or someone trained as a personal computer specialist?
 - h. Your favourite local blues band that plays regularly at a nearby campus bar or David Bowie?
 - i. A lazy, stupid plumber or a hardworking, bright plumber?
 - j. The best carpenter on the planet or the best writer on the planet?
2.
 - a. Explain the human capital view of education and the signalling view of education.
 - b. What are the implications for education policy under each view?
 - c. Which of the above is true? Explain.
3.
 - a. How can a competitive market eliminate discrimination in the labour market?
 - b. What limits a competitive market's ability to reduce discrimination? Explain.