

## 2.3 Unemployment

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Name: \_\_\_\_\_ Class: \_\_\_\_\_ Date: \_\_\_\_\_

Total: 10 marks

### Objective

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Build the skills to answer exam questions on **unemployment**.

You must be able to:

- define the **labour force** 劳动力 and calculate the **unemployment rate** 失业率
- distinguish **frictional** 摩擦性, **structural** 结构性, and **cyclical** 周期性 unemployment
- explain that the **natural rate** 自然失业率 equals frictional plus structural unemployment
- relate **full employment** to the natural rate

### 1 Worked examples

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Study these first. Each one shows the method for a question type used later.

#### ■ The unemployment rate

$$\text{unemployment rate} = \frac{\text{unemployed}}{\text{labour force}} \times 100,$$

where the **labour force** = employed + unemployed (those actively seeking work).

#### ■ Three types

- **Frictional** —between jobs, searching.
- **Structural** —skills or location mismatch.
- **Cyclical** —caused by a recession.

#### ■ Natural rate

At full employment, cyclical unemployment is zero, so the **natural rate** = frictional + structural.

### 2 Practice

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2.1 Write the formula for the unemployment rate.

[1]

**2.2** A country has 90 million employed and 10 million unemployed. Find the unemployment rate. [2]

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**2.3** Name the three types of unemployment. [2]

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### 3 Exam-style questions

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**3.1** The natural rate of unemployment equals [1]

- **A** cyclical unemployment only
- **B** frictional plus structural unemployment
- **C** all three types added together
- **D** zero

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**3.2** A worker laid off during a recession is [1]

- **A** frictionally unemployed
- **B** structurally unemployed
- **C** cyclically unemployed
- **D** not unemployed

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**3.3** A country has a labour force of 50 million, of whom 46 million are employed.

(a) Find the number unemployed. [1]

(b) Find the unemployment rate. [2]

### 4 Go further

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- work through the **2.3 Unemployment** lesson on the **Learn** page;
  - read the **Economic Indicators and the Business Cycle** section of the AP Macroeconomics handout on the **Know** page.

## Solutions

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**2.1** unemployment rate =  $\frac{\text{unemployed}}{\text{labour force}} \times 100$ .

**2.2** labour force = 100 million; rate =  $\frac{10}{100} \times 100 = 10\%$ .

**2.3** frictional, structural, cyclical.

**3.1 B.**

**3.2 C.**

**3.3** (a)  $50 - 46 = 4$  million. (b)  $\frac{4}{50} \times 100 = 8\%$ .