



**Economics
Leaving Certificate
Higher Level**

**Past Exam Questions on
Factor Incomes: Rent, Profit, Wages...**

Q3 Section B 2013

3. (a) State and explain **four** economic influences on an individual firm's demand for labour. (25)
- (b) Explain, with the aid of a labour market diagram in each case, how equilibrium wage rates are determined in:
- A free labour market;
 - A labour market where a trade union has negotiated a minimum wage. (25)
- (c) Women in Ireland earn on average 17.1% less per hour than men, according to a study by the European Commission (*Tackling the gender pay gap in the European Union*, 2011).
- (i) Outline **two** possible reasons for the lower wage rates earned by women in the Irish economy.
- (ii) Outline **one** measure that could be taken to close the gender pay gap. (15)
- (d) Explain briefly Karl Marx's economic theory about the exploitation of labour in a capitalist system. (10)

[75 marks]

Q3 Part (a) Section B 2012

3. (a) (i) Explain the following terms in relation to a factor of production:
- Supply Price;
 - Transfer Earnings.
- (ii) Explain the concept *Economic Rent* and outline **two** circumstances under which a factor of production can earn it. (25)

Q6 Section A 2007

6. Outline **TWO** circumstances under which a factor of production can earn **Economic Rent**.

(i) _____

(ii) _____

(17 marks)

Q2 Section A 2006

2. State three reasons why **profits** are important in a **market economy**.

(i) _____

(ii) _____

(iii) _____

(16 marks)

Q3 Section A 2006

3. A firm wishes to attract more labour. In order to increase its labour force from 5 to 6 employees, the firm must increase the weekly wage rate from €400 to €440 per employee. Calculate the firm's **marginal cost of labour**. Show your workings.

<p>Workings</p>

Answer:

(16 marks)