Teacher Answer Key

Case Study

1. • Renewable energy wages spiked because demand for specialized labor exceeded the available supply.

2. • Training programs increase the number of qualified workers, easing the labor shortage and moderating wage pressure.

Multiple Choice

1. D

2. C

3. A

Matching

1-D, 2-E, 3-B, 4-C, 5-A

Fill-in-the-Blank

1) Equilibrium, 2) Surplus, 3) Shortage

Short Answer (Sample Responses)

Q1: Advances in technology can reduce the need for routine jobs while increasing demand for specialized roles, shifting the labor demand curve.

Q2: If a wage floor exceeds the equilibrium wage, employers may limit new hires to control labor costs, leading to potential unemployment.

Q3: Higher levels of education expand the pool of qualified professionals, raising labor supply in specialized fields and affecting wages accordingly.