

Homework Practice Assignment 1

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Due Saturday 10.21.17 at 11:45 PM

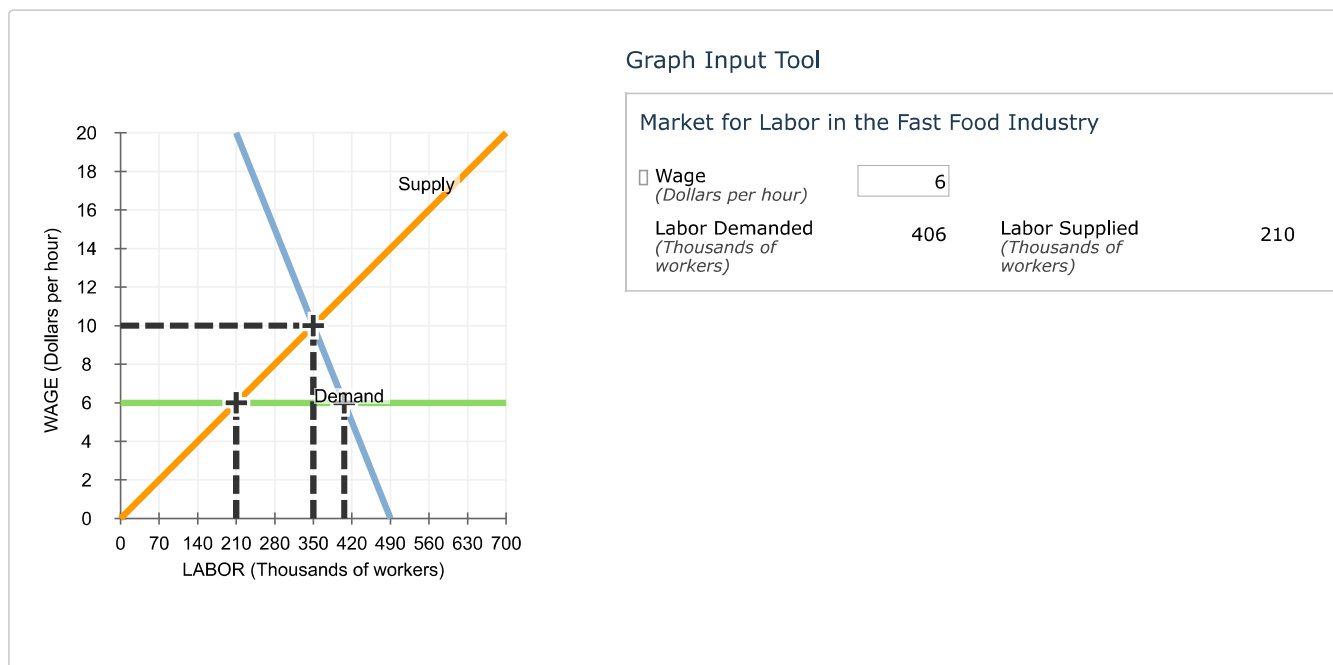
Attempts: Score: / 4

13. Minimum wage legislation

The following graph shows the labor market in the fast-food industry in the fictional town of Supersize City.

Use the graph input tool to help you answer the following questions. You will not be graded on any changes you make to this graph.

Note: Once you enter a value in a white field, the graph and any corresponding amounts in each grey field will change accordingly.



In this market, the equilibrium hourly wage is \$, and the equilibrium quantity of labor is thousand workers.

Suppose a senator introduces a bill to legislate a minimum hourly wage of \$6. This type of price control is called a .

For each of the wages listed in the following table, determine the quantity of labor demanded, the quantity of labor supplied, and the direction of pressure exerted on wages in the absence of any price controls.

Wage (Dollars per hour)	Labor Demanded (Thousands of workers)	Labor Supplied (Thousands of workers)	Pressure on Wages
12	<input type="text"/>	<input type="text"/>	<input type="text"/>
8	<input type="text"/>	<input type="text"/>	<input type="text"/>

True or False: A minimum wage below \$10 per hour is a binding minimum wage in this market.

Session Timeout 59:44

True

False

Save & Continue

[Continue without saving](#)

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