Economics

*Topic Weight: 10%*
Unemployment Rate = \( \frac{ Employed }{ Labor\ Force } \)

Employment to Population Rate = \( \frac{ Employed }{ Working\ Age\ Population } \)

Labor Force Participation Rate = \( \frac{ Labor\ Force }{ Working\ Age\ Population } \)
Then unemployment rate is:

A. 33.34%
B. 40%
C. 16.67%
Answer

- **A**
- A person who is not working is considered to be unemployed person if he is available to work and
  - Has actively searched for work in the last four weeks
  - Has been laid off from a job and is waiting to be recalled
  - Will start a new job in next 30 days
- Number of unemployed = 20,000
- Labor Force = Number of people either employed or actively seeking employment
  = 50,000 + 10,000 = 60,000
- Unemployment Rate = (Number of Unemployed/Labor Force)
  = (20,000/60,000) x 100 = 33.34%