

Reflection questions for chapter 7, due Tuesday 10/29/13

(Please type these up and hand in a paper copy in class.)

- 1.** In addition to labor and leisure, people also devote a share of their time to household work. How does this change our previous model of the labor supply decision? What new implications does this change have?
- 2.** How are labor supply decisions made jointly by spouses/domestic partners/etc. different from labor supply decisions made by single people? Explain the difference between a ‘unitary’ model and a bargaining model of joint decisions.
- 3.** How are labor supply decisions made by individuals taking into account expectations of future earnings and expenditures through the course of their lifetime different from labor supply decisions made by individuals who are simply maximizing utility from leisure, consumption, etc. in a single, present time period? What new implications come from adjusting our model to take this into account?