

UNIVERSITY OF OSLO
DEPARTMENT OF ECONOMICS

Exam: ECON4921 – Institutions and economic systems

Date of exam: Monday, January 16, 2006

Time for exam: 09:00 a.m. – 12:00 noon

The problem set covers 1 page

Resources allowed:

- No resources allowed

The grades given: A-F, with A as the best and E as the weakest passing grade. F is fail.

- a. Some economists insist that highly decentralized and highly centralized systems of wage bargain produce the same outcome with respect to wages and employment. Discuss this statement critically.
- b. Why are so many unions opposed to profit sharing? In addressing this question you should also try to answer the more difficult question: Does the impact of profit-sharing depend on the system of wage determination?