

**UNIVERSITY OF OSLO**  
**DEPARTMENT OF ECONOMICS**

Exam: ECON4921 – Institutions and economic systems

Date of exam: Friday, December 2, 2005

Time for exam: 2:30 p.m. – 5:30 p.m.

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.

You are asked to discuss aspects of how different systems of collective wage bargaining work, and in doing so to address the following more specific questions:

- a) What do unions maximize, if anything?
- b) What is the role of other regarding preferences in unions' wage coordination?
- c) Two unions use to coordinate their wage demands. Now they split up and bargain separately. What are the implications for their wage demands?
- d) What would you point out as the most distinct outcome of Scandinavian wage determination and how would you explain this outcome?