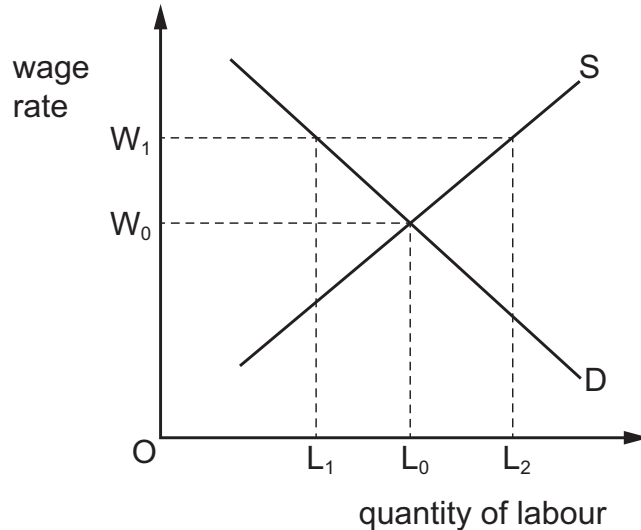


- 11 The diagram shows the demand and supply curve of labour for a firm. The initial wage rate is given by W_0 and the equilibrium quantity of labour employed is L_0 .

A trade union that represents all of the workers negotiates a rise in wage rate to W_1 .



What is the amount of unemployment that results from this wage rise?

- A** OL_1 **B** L_0L_2 **C** L_1L_0 **D** L_1L_2