Test Bank for Labour Relations CDN 5th Suffield

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CHAPTER 2

THE ENVIRONMENT

True/False

1. Nominal wages are wages that have been adjusted for inflation.

Answer: False

2. Fiscal policy refers to changes in the interest rate to affect inflation or employment levels.

Answer: False

3. Employers and unions cannot contract out of employment standards, human rights, or labour relations legislation.

Answer: True

4. Technological advances could be both a threat and an opportunity for unions.

Answer: True

5. Labour relations legislation establishes minimum terms of employment.

Answer: False

6. The legal environment affecting labour relations is not affected by the social environment.

Answer: False

7. A retail store with locations in more than one province is regulated by the *Canada Labour Code.*

Answer: False

8. Unions are in favour of government aid as it protects jobs.

Answer: True

9. During economic downturns, unions will seek larger than usual wage increases to protect the real incomes of employees.

Answer: False

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10. Monetary policy refers to changes in government spending and taxation.

Answer: False

11. Human rights legislation provides for minimum terms of employment.

Answer: False

12. Non-standard work is employment in developing economic sectors such as information technology.

Answer: False

13. Globalization is the trend to international agreements that reduce tariff barriers between countries.

Answer: False

14. The price elasticity of demand refers to the principle that if the price of a good or a service is reduced the quantity demanded increases.

Answer: False

15. An elastic demand for a product means that the sales of a product are more responsive to a change in price.

Answer: True

16. Price elasticity of demand refers to how much a change in price affects the quantity demanded.

Answer: True

17. The stimulus packages adopted by governments to combat the 2008 -09 recession will not affect future government policy.

Answer: False

18. Unions attempt to avoid the effects of the labour market that would otherwise dictate the wages of individual employees.

Answer: True

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19. As perceived union power increases support for unions declines.

Answer: True

20. In general, Canada is more supportive of unions that the United States.

Answer: True

21. All employees and unions in a particular province are regulated by the labour relations legislation of the province.

Answer: False

22. Human rights legislation in all provinces now prohibits mandatory retirement.

Answer: True

23. Direct discrimination refers to a rule or conduct that is intentionally discriminatory.

Answer: True

24. If an employer establishes that a rule or requirement is a BFOQ (BFOR), the employer is allowed to establish the requirement even though it is discriminatory.

Answer: True

25. The *Charter* has been relied upon in some cases to defend employees' freedom of expression.

Answer: True

26. Since 1980 the unionization rate has fallen, with most of the reduction in male representation

Answer: True

27. Trade liberalization is the trend to reduce tariff barriers between countries.

Answer: True

28. Deregulation has decreased competition in some key industries.

Answer: False

29. Technology will likely lead to both job losses and job gains.

Answer: True

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30. The average age of workers has been increasing since the year 2000.

Answer: True

Multiple Choice

1. Which of the following is the **least** likely to be affected by the macroeconomic environment:
   a. the demands made by unions
   b. the elasticity of demand for goods and services
   c. the demands made by employers
   d. the real wages of employees
   e. the bargaining power of the union

Answer: b

2. When the value of the Canadian dollar increases, which of the following is correct?
   a. employment in all sectors of the economy will be reduced
   b. real wages will be decreased
   c. the price elasticity of demand for all goods and services will be reduced
   d. union concerns about job security will be reduced
   e. real value will increase

Answer: e

3. Which of the following is the **least** likely to have a negative impact on Canadian manufacturers and unions:
   a. trade practices of foreign governments
   b. monetary policy aimed at reducing inflation
   c. the price elasticity of demand for the product produced by the employer
   d. a decline in the value of the Canadian dollar
   e. an increase in the value of the Canadian dollar

Answer: d

4. Which of the following does the macroeconomic environment refer to:
   a. the rate of unemployment
   b. the state of economy as a whole
   c. the rate of inflation
   d. the period of recession
   e. the labour relations

Answer: b

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5. Diversity refers to a set of labour force that includes people of:
   a. full time workers
   b. female workers
   c. different religions, ethnicity, sexual orientations & disabilities
   d. older workers
   e. younger workers

Answer: c

6. Which of the following is an economic factor affecting labour relations in terms of the shift from manufacture of goods to the production of services:
   a. deregulation
   b. mergers
   c. deindustrialization
   d. globalization
   e. downsizing

Answer: d

7. From 2004 to 2008 employment in manufacturing in Canada:
   a. remained the same
   b. was reduced by 14%
   c. increased by 14%
   d. was reduced by 24%
   e. increased by 24%

Answer: b

8. The shift from the government limiting market entrants and controlling prices to a system where the market is open to competition is:
   a. globalization
   b. trade liberalization
   c. deregulation
   d. deindustrialization
   e. downsizing

Answer: c

9. When a firm produces a good or service that has an elastic demand it will:
   a. be less able to increase price without losing customers
   b. be more able to increase price without losing customers
   c. decrease sales and revenue by lowering price
   d. be able to change price without any effect on sales and revenue
   e. increase the quantity demanded by increasing the price

Answer: a

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10. Which of the following groups of employees is the most likely to be concerned with the pension provisions in a collective agreement:
    a. part-time employees
    b. younger employees
    c. male employees
    d. older employees
    e. all employees have the same preferences

Answer: d

11. Which of the following is correct:
    a. The aging workforce is a concern for employers, but not for unions.
    b. Female employees are less likely than male employees to support unionization.
    c. Diversity is a concern for employers, but not for unions.
    d. The majority of part-time employees would prefer full-time work.
    e. It has been more difficult for unions to organize part-time employees than full-time employees.

Answer: e

12. Which of the following is correct regarding technological change?
    a. it always poses a threat to unions
    b. it always leads to improvements in health and safety
    c. it does not affect the location of work
    d. it does not affect compensation
    e. it affects the ways that unions deal with employees

Answer: e

13. Health and safety, compensation, and job security are likely to be most affected by:
    a. mergers
    b. globalization
    c. deregulation
    d. increased diversity
    e. technological change

Answer: e

14. Which of the following is correct regarding the social environment?
    a. it does not impact the law that regulates labour relations
    b. attitudes towards unions are the same across Canada
    c. it does not affect the propensity of employees to join unions
    d. it impacts the bargaining power of the union and the employer
    e. it has led to the enactment of right-to-work legislation

Answer: d

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15. Which of the following is a federally regulated employer:
    a. a retail store with locations in more than one province
    b. a bank
    c. an auto-manufacturing firm with plants in more than one province
    d. a retail store in Ontario
    e. a retail store in Nova Scotia

Answer: b

16. The Highlands Store sells hiking and canoeing equipment. The company has at least one store in ever Canadian province. The company's head office is located in Nova Scotia. If a union attempts to organize the employees of one of the company's stores located in Manitoba, which of the following applies:
    a. Nova Scotia labour relations legislation
    b. federal labour relations legislation
    c. Manitoba labour relations legislation
    d. British Columbia labour relations legislation
    e. Ontario labour relations legislation

Answer: c

17. ABC Company is a national courier business with depots in all provinces. The company's head office is located in British Columbia. If a union attempts to organize the employees of one of the company's depots located in Alberta, which of the following applies:
    a. The *Canada Labour Code*
    b. Alberta labour relations legislation
    c. British Columbia labour relations legislation
    d. Ontario labour relations legislation
    e. Manitoba labour relations legislation

Answer: a

18. The fact that the jurisdiction to enact employment and labour relations legislation is divided between the federal government and the provinces leads to certain consequences. Which of the following is correct regarding the division of authority:
    a. It increases the costs of employers that carry on business in more than one province.
    b. It could cause confusion regarding the relevant rules of employment.
    c. It does not allow the federal government to deal with issues that are unique to federally regulated employers.
    d. a and b
    e. a, b, and c

Answer: d

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19. Which of the following regulates minimum terms of employment?
    a. labour relations legislation
    b. human rights legislation
    c. employment standards legislation
    d. *Canadian Charter of Rights and Freedoms*
    e. the duty to accommodate

Answer: c

20. The process that must be followed for a union to obtain the right to represent employees is set out in which of the following?
    a. labour relations legislation
    b. human rights legislation
    c. health and safety legislation
    d. employment standards legislation
    e. *Canadian Charter of Rights and Freedoms*

Answer: a

21. In all jurisdictions unions and employers are prohibited from discriminating on the basis of:
    a. a marital status
    b. social views
    c. political belief
    d. religious opinions
    e. economic status

Answer: a

22. Unions and employers are prohibited from contracting out of:
    a. Collective bargaining
    b. employment standards legislation
    c. charter of rights and freedom
    d. Canadian parliamentary system
    e. Canadian commonwealth federation

Answer: b

23. Which of the following is correct?
    a. Direct discrimination is unintentional.
    b. Disability is a physical or mental illness that is permanent.
    c. Disability refers to physical health issues such as a cancer; however, it does not include mental health issues such as depression.
    d. Mandatory retirement is allowed in most jurisdictions.
    e. Addiction to a drug is a disability.

Answer: e

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24. The *Canadian Charter of Rights and Freedoms* has been relied upon to:
    a. extend benefits to same-sex partners
    b. prohibit the mandatory deduction of union dues
    c. prohibit mandatory union membership
    d. protect the right to strike
    e. a and b Answer: a

25. A duty of accommodation arises only when there is:
    a. consideration
    b. accommodation
    c. job modification
    d. discrimination
    e. obligation

Answer: d

26. The duty to accommodate:
    a. requires employers to do whatever is required to avoid the adverse effects of discrimination
    b. arises only in cases of indirect discrimination
    c. requires employers to take measures, which do not impose an undue hardship
    d. does not require a variation from the terms of a collective agreement
    e. arises only in cases of direct discrimination

Answer: c

27. Eliminating jobs for the purpose of improving efficiency and economic returns is referred to as:
    a. deindustrialization
    b. downsizing
    c. deregulation
    d. globalization
    e. trade liberalization

Answer: b

28. The economic environment affecting labour relations does **not** include which of the following?
    a. demand for a firm's product or service
    b. fiscal policy
    c. globalization
    d. values and beliefs of the Canadian public
    e. deindustrialization

Answer: d

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29. Real wages refers to:
    a. salary and wages remaining after deducting the expenses incurred to earn the wage, such as child care expenses
    b. salary and wages that have been adjusted for inflation
    c. total compensation including both wages and benefits
    d. salary and wages that have not been adjusted for inflation
    e. salary and wages that have been adjusted for the effort required

Answer: b

30. Fiscal policy refers to or includes:
    a. levels of government spending and taxation
    b. changes in the interest rate to regulate the economy
    c. the imposition of wage and price controls
    d. measures to deal with diversity
    e. attempts to stimulate the economy by reducing government spending

Answer: a

31. The price elasticity of demand refers to:
    a. a measure of the demand for the industry in which a firm competes
    b. how much the demand for a good or service changes when there is an increase in incomes
    c. the economic principle that as price increases the quantity demanded decreases
    d. the fact that the demand for some goods and services may be countercyclical
    e. how much quantity demanded changes when there is a change in the price of a good or service

Answer: e

32. What preference would a union have with regard to the price elasticity of demand for the good or service produced by the employer:
    a. highly elastic demand
    b. highly inelastic demand
    c. no preference
    d. slightly elastic demand
    e. slightly inelastic demand

Answer: b

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33. Labour market changes have included which of the following:
    a. decreases in part-time and temporary work
    b. a reduction in the number of females in the labour force
    c. an aging labour force
    d. a reduction in the number of workers of different religions, races, and abilities
    e. a reduction in younger employees

Answer: c

34. I the process of meeting the duty to accommodate an employer could be required to:
    a. move employees to alternative jobs
    b. job duties
    c. agree to a variation from the terms provided in the collective agreement
    d. a and b
    e. a, b, and e

Answer: e

35. Which of the following are possible measures for an employer in the course of accommodating an employee?
    a. changes in hours
    b. allowing a period of absence
    c. terminating another employee to open a position for the employee needing accommodation
    d. a and b
    e. a, b, and c

Answer: d

36. A requirement an employer can establish is essential, with the result that it is allowed although it appears to be discriminatory, is called a:
    a. Bona Fide Occupational Requirement
    b. Non-Standard Work Requirement
    c. Bona Fide Occupational Restriction
    d. Exceptional Work Requirement
    e. Employment standards legislation

Answer: a

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37. To establish that a discriminatory requirement is a BFOQ (BFOR), the employer must prove which of the following?
    a. the requirement was adopted for a purpose rationally connected to the performance of the job
    b. the requirement was adopted in an honest and good faith belief that it was necessary
    c. the requirement is reasonably necessary for the accomplishment of the work, and individual employees cannot be accommodated
    d. a and b
    e. a, b, and c

Answer: e

38. The *Charter of Rights and Freedoms* is important to labour relations because it:
    a. protects collective bargaining from substantial interference by government
    b. prohibits secondary picketing
    c. protects the right to strike
    d. guarantees the right to form a union
    e. requires mandatory union membership

Answer: a

39. In the event that the collective agreement between the company and the union is deemed to discriminate against an employee on a prohibited ground, what is the obligation of the union and management?
    a. the union has no duty to accommodate and the company has the full liability for not accommodating the employee outside the union.
    b. both the company and the union have a duty to accommodate and the provisions of the collective agreement must be waived.
    c. the union has the duty to accommodate and change the collective agreement
    d. no resolve can be made until the next collective agreement is bargained, when the agreement can be changed to comply with human rights legislation.
    e. the agreement must stand as it was bargained in good faith

Answer: b

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40. If the good or service produced by a company has an inelastic demand then during bargaining
    a. the union may demand higher wages as the additional cost may not negatively impact the company.
    b. the union will not likely be able to demand higher wages as the costs cannot be transferred to the customer.
    c. it will not impact the unions ability to obtain higher wages in bargaining.
    d. the union will demand greater job security for its employees as demand for the good or service will fall.
    e. the company will resist any demands for wage increases, as any increase in the sale price will reduce demand .

Answer: a

Essay Questions

1. Explain a systems framework for labour relations. Elaborate on the elements of the framework and how they are interrelated.

2. Describe the environmental factors affecting labour relations.

3. Briefly describe the environmental factors affecting labour relations. For each factor outline one way that unions and employers could be affected.

4. Describe the economic [or technological, social, political, legal] factors affecting labour relations and explain the significance for unions and employers.

5. "The divided jurisdiction for Canadian labour relations provides potential advantages and disadvantages." Discuss.

6. Briefly describe three types of legislation and explain how each one affects labour relations.

7. a. Explain the nature and importance of the concept undue hardship.
   b. Outline the factors that would be referred to when determining if an undue hardship exists.

8. You are a union officer at a small manufacturing company. The employer wants to establish a requirement that all employees who work in shipping and receiving be at least 5'10" tall. Explain how you could challenge this requirement.

9. Explain the implications of the *Charter* for labour relations.

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