

**College of Administrative and Financial Sciences**

**Assignment-3**

**Deadline: 19/11/2020 @ 23:59**

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| Course Name: Macroeconomics | Student’s Name: |
| Course Code: ECON201 | Student’s ID Number: |
| Semester: I | CRN: |
| Academic Year: 1441/1442 H |

 **For Instructor’s Use only**

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| Instructor’s Name: |
| Students’ Grade: / **5** | Level of Marks: High/Middle/Low |

**Instructions – PLEASE READ THEM CAREFULLY**

* The Assignment must be submitted on Blackboard (**WORD format only**) via allocated folder.
* Assignments submitted through email will not be accepted.
* Students are advised to make their work clear and well presented, marks may be reduced for poor presentation. This includes filling your information on the cover page.
* Students must mention question number clearly in their answer.
* Late submission will NOT be accepted.
* Avoid plagiarism, the work should be in your own words, copying from students or other resources without proper referencing will result in ZERO marks. No exceptions.
* All answered must be typed using **Times New Roman (size 12, double-spaced)** font. No pictures containing text will be accepted and will be considered plagiarism).
* Submissions without this cover page will NOT be accepted.

**Assignment 3-Case Study-Chapters: 15, 16, 17 & 18:** - **[5 Marks]**

**Caselet**

**On**

**Unemployment**

Many Theories are given by different expert to explain the reasons behind unemployment. One reason of unemployment may be downswings (periods of recession) in the business cycle.

Another reason behind wide-scale unemployment refers to structural unemployment. Structural unemployment arises from longer-term changes in the economy, affecting specific industries, regions and occupations. Structural unemployment often explains regional unemployment. Some industries in India have lost their business and so employment to the cheaper imports coming from abroad.

Some experts explain that new technology is a cause of unemployment which is also known as technological unemployment. The argument is that the introduction of new technology is destroying jobs and business while at the same time imports from low-wage developing countries are undercutting goods produced in this country.

However, many studies may contradict this also. New technologies generally help in producing new products, or services and therefore new areas of employment. Sometimes lesser workers may be required in some areas of production where specific tasks are taken over by machines, but rising productivity boosts overall income and then the demand for new jobs in the economy as a whole.

**Q1: What are the main causes of Unemployment? Do you agree that technological up-gradation in any industry may cause unemployment in that industry? Provide your opinion with one example. (2.5 Marks)**

**Q2: Structural unemployment in many countries has touched its highest peak during corona pandemic, but it seems that most of the industries in KSA are not that affected. Discuss the role of the Saudi Government in reducing the impact of Corona pandemic on employment in Saudi Arabia. (2.5 Marks)**

**Answer:**