Past-paper walk-through

Economic development ▪ 11.3

eXercise

Questions in this set

- 9708/31 N25 Q24 ▪ 1 mark
- 9708/32 N25 Q24 ▪ 1 mark

Question 24

9708/31 N25 ▪ Q24 ▪ 1 mark

24 What does the Kuznets curve show about the relationship between economic development and inequality?

A the Gini coefficient initially falls as countries develop from low to high income levels

B the Gini coefficient initially rises as countries develop from low to high income levels

C there is always a negative relationship between GDP per capita and the Gini coefficient

D there is always a positive relationship between GDP per capita and the Gini coefficient

Solution 24

Answer: **B**

Why

- The Kuznets curve is an inverted U: inequality first *rises* as a country industrialises.
- It then falls again as the economy matures and redistribution develops.
- So the Gini coefficient rises before it falls – not the other way round.

Question 24

9708/32 N25 ▪ Q24 ▪ 1 mark

24 Which statement is correct?

A Economic development is necessary for economic growth.

B Economic growth and economic development are directly proportional.

C Economic growth enables economic development.

D Economic growth is always sustainable.

Solution 24

Answer: **C**

Why

- Growth is a rise in real output; development is a broader rise in welfare and living standards.
- Growth usually helps development but does not guarantee it, and the two are not proportional.
- So growth is *possible without* development – if the gains are not widely shared.