Solutions

Economics answers are marked by **level of response** against the assessment objectives: award **AO1** knowledge, **AO2** application, **AO3** analysis and **AO4** evaluation.

Each answer shows the steps, then the **result**.

2.1

- growth is a rise in real output; development is wider, covering living standards — health, education and freedom — not just income (2 for a clear difference; 1 for a partial idea)

2.2

- income (GNI per person); health (life expectancy); education (schooling/literacy) (1 + 1 + 1)

2.3

- any one of: it ignores income distribution, the informal economy, health and education, and the environment (1)

3.1 C

- The inflation rate is not part of the HDI

3.2

- *[6]* AO1 1 + AO3 up to 5 — GDP per capita measures only average income, which can hide poor health, low schooling and inequality; the HDI adds life expectancy and education
- it captures the wider quality of life
- so two countries with the same income can have very different HDIs

3.3

- *[12]* AO1/AO2/AO3 up to 8 + AO4 up to 4. **Yes:** if growth's gains go to a small elite, or come from resource extraction that harms health and the environment, incomes rise but living standards do not improve. **But:** growth usually raises tax revenue and incomes that *can* fund health and education, supporting development. Judgement: growth without development is possible if gains are unevenly shared, but well-managed growth normally enables development — it depends on how the income is distributed and used