

14 When is a minimum wage most likely to help reduce the problem of income inequality?

- A** Higher paid workers maintain pay differentials.
- B** Labour mobility is low.
- C** The informal economy is small.
- D** The minimum wage leads to increased unemployment.

10 Which policy is most likely to contribute to people ending up in a poverty trap?

- A** legal minimum wage
- B** means-tested benefits
- C** prevention of cheaper imports
- D** proportional taxation

12 An increase in which variable would shift the supply curve for farm workers to the right?

- A** job security
- B** the hourly wage rate
- C** the productivity of farm workers
- D** the qualifications required

18 Which government policy is least likely to promote inclusive economic growth?

- A** increasing the national minimum wage
- B** investment in transport and infrastructure
- C** legislation reducing the power of trade unions
- D** using taxes and transfer payments to redistribute income