HOLIDAY HOMEWORK 假期作业

IGCSE Economics

Exercise sheets and past-paper practice, topic by topic.

每个单元：练习卷 + 历年真题。

For class or self-study • no answer keys included.

Contents 目录

1 Scarcity and choice – Part 1

Name: ____________ Class: ________ Date: __________

Vocabulary 词汇

Write each word three times. 把每个单词抄写三遍。

English	中文	Write it 3 times (English)		
economic problem	经济问题			
scarcity	稀缺性			
factors of production	生产要素			

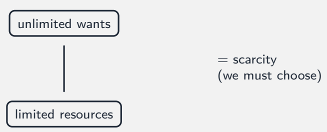
Recall

The basic **economic problem** 经济问题 is **scarcity** 稀缺性: people have unlimited wants but only limited resources.

New ideas

Read these first, then do the Practice.

1 Scarcity and choice



Because of scarcity, every choice has a cost.

2 Factors of production

The **factors of production** 生产要素 are the resources used to make goods:

land	natural resources
labour	workers
capital	machines, tools
enterprise	the risk-taker

Watch out: scarcity comes from unlimited *wants* but limited *resources* —it forces every choice. The four factors are **land, labour, capital, enterprise**: labour is the workers, capital is the machines/tools, enterprise is the risk-taking organiser.

Practice

Try these in order.

1.1 What is *scarcity*? [1]

1.2 Why does scarcity force us to make choices? [1]

1.3 Name the four factors of production. [2]

1.4 Which factor is the ”workers”? [1]

1.5 Which factor includes machines and tools? [1]

1.6 Challenge. A baker uses a field, three staff, an oven, and her own idea to run the business. Match each one to a factor of production. [4]

1 What has an opportunity cost in consumption?

A air

B food

C sea water

D sunlight

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1 Which economic question is **least** likely to arise as a result of scarcity?

A For whom will we produce?

B How will we produce?

C What will we produce?

D When will we produce?

IGCSE Economics: **w24 13**

1 What is the cause of the economic problem facing the global market for gold?

A Consumer wants for gold are limited.

B Gold is a limited resource.

C Only governments can sell gold.

D There is an unlimited supply of gold.

2 Sonia owns a takeaway food delivery service. She decides to expand the firm, buying more vans and hiring additional drivers.

Which factors of production were changed?

A capital and labour

B capital and land

C enterprise and capital

D labour and land

2 In which case is it possible to set the level of reward before production takes place for the first factor of production but **not** for the second factor?

	first factor	second factor
A	capital	land
B	enterprise	labour
C	labour	capital
D	land	enterprise

26 African economies may have rapid economic growth because of a large increase in their working age population.

Based on this idea, which factor of production is most likely to grow significantly?

A labour

B enterprise

C capital

D land

1 Opportunity cost and the PPC – Part 2

Name: ____________ Class: ________ Date: __________

Vocabulary 词汇

Write each word three times. 把每个单词抄写三遍。

English	中文	Write it 3 times (English)		
opportunity cost	机会成本			
production possibility curve (PPC)	生产可能性曲线			

Recall

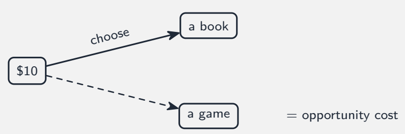
Every choice means giving something up, and a curve can show what an economy can produce.

New ideas

Read these first, then do the Practice.

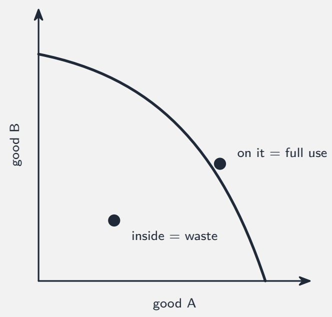
■ 1 Opportunity cost

The **opportunity cost** 机会成本 of a choice is the next best thing you give up:



■ 2 The production possibility curve

A **production possibility curve (PPC)** 生产可能性曲线 shows the most an economy can make of two goods:



Watch out: opportunity cost is the *single next best* thing you give up —not everything you didn't choose. On a **PPC**, a point *on* the curve uses all resources (efficient); a point *inside* wastes some.

Practice

Try these in order.

1.6 What is *opportunity cost*? [1]

1.7 You spend your money on a book instead of a game. What is the opportunity cost? [1]

1.8 What does a PPC show? [1]

1.9 What does a point **on** the PPC mean? [1]

1.10 What does a point **inside** the PPC mean? [1]

1.11 Challenge. A country uses all its resources to make either tractors or guns. Using a PPC, explain the opportunity cost of choosing to make more guns. [2]

2 Which term describes the loss of potential benefit to a consumer when making a choice between alternatives?

A opportunity cost

B scarcity

C shortage

D the economic problem

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9 A government intends to build a new road through a forest.

What will be an external cost of this?

A the cost of building the road

B the loss suffered by those who would have used the forest

C the cost of maintaining the road

D the new jobs created from the construction of the road

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2 South Korea makes use of both economic goods and free goods. Its output includes products with both elastic and inelastic supply. The country is building the world's first floating city, estimated to cost $180m. This is to cope with rising sea levels caused by climate change. Governments take a number of measures to reduce greenhouse gases which contribute to climate change, including banning the burning of wood to heat homes.

(a) Identify a difference between economic goods and free goods. [2]

(b) Explain how opportunity cost will influence a government's decision on whether to spend tax revenue on a large infrastructure project. [4]

(c) Analyse the influences on whether supply of a product is elastic or inelastic. [6]

(d) Discuss whether or not a government should ban the burning of wood to heat homes. [8]

5 What necessarily describes the market system?

A all resources used to produce consumer goods

B an economy with both a private and a public sector

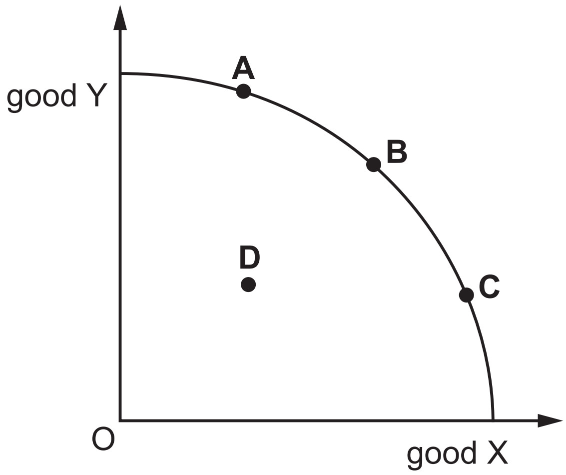
C limited resources but unlimited wants

D resources allocated through demand and supply

IGCSE Economics: **w24 12**

3 The diagram shows a production possibility curve (PPC) for an economy that produces two goods, X and Y.

Which point shows the greatest opportunity cost of producing one more unit of good X?



2 Demand and supply – Part 1

Name: ____________ Class: ________ Date: __________

Vocabulary 词汇

Write each word three times. 把每个单词抄写三遍。

English	中文	Write it 3 times (English)		
market	市场			
Demand	需求			
supply	供给			

Recall

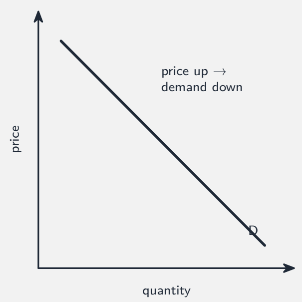
A **market** 市场 is where buyers and sellers meet. **Demand** 需求 comes from buyers; **supply** 供给 comes from sellers.

New ideas

Read these first, then do the Practice.

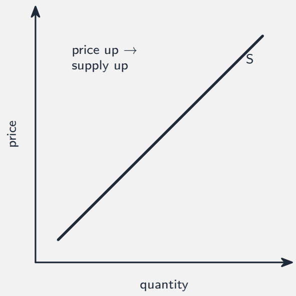
■ 1 Demand

Demand is how much buyers want to buy at each price. As the price rises, demand falls:



■ 2 Supply

Supply is how much sellers want to sell at each price. As the price rises, supply rises:



Watch out: as price **rises**, **demand falls** (buyers want less) but **supply rises** (sellers want to sell more) —the two move opposite ways. The demand curve slopes *down*; the supply curve slopes *up*.

Practice

Try these in order.

2.1 What is *demand*? [1]

2.2 What happens to demand when the price rises? [1]

2.3 What is *supply*? [1]

2.4 What happens to supply when the price rises? [1]

2.5 Which way does a demand curve slope? [1]

2.6 Challenge. The price of a bus ticket rises. State and explain what happens to (a) the demand from passengers and (b) the supply from bus companies. [2]

4 What is the function of the price mechanism in a market economy?

A allocating resources and guiding choices

B allowing governments to provide price stability

C enabling markets to operate fairly

D preventing competitors from entering a market

IGCSE Economics: **m25 12**

8 What is a characteristic of a market economic system?

A consumers decide whether production is labour-intensive or capital-intensive

B factors of production are government-owned

C high levels of government intervention

D land and capital are privately owned

IGCSE Economics: **w24 12**

2 What is opportunity cost?

A the allocation of resources in an economy

B the cost to the individual when they consume a good

C the lack of goods and services available to satisfy unlimited wants

D the next best alternative forgone when making an economic decision

4 The price of petrol increases in a country with a market economic system.

What is a consequence of this?

A More cars are bought.

B The costs of road transport increase.

C The quantity of petrol supplied falls.

D There is a shortage of petrol.

IGCSE Economics: **w24 13**

6 A fall in which variable would help eliminate a market shortage?

A quantity demanded

B price

C quantity supplied

D the number of firms

IGCSE Economics: **s24 11**

4 What is **not** held constant when drawing a demand curve for a good or service?

A consumers' incomes

B tastes and preferences

C the price of substitutes

D the price of the good or service

2 A worker decides to leave their job as a bus driver and take a job as a lorry driver.

What will increase the opportunity cost of this decision?

A an increase in the holidays for lorry drivers

B an increase in the income tax paid by bus drivers

C an increase in the wages of bus drivers

D an increase in the wages of lorry drivers

IGCSE Economics: **s25 13**

14 What is most likely to increase the demand for labour in an industry?

A a decrease in the price of capital used by the industry

B a decrease in the productivity of labour in the industry

C an increase in the demand for the industry's product

D an increase in the wage paid to labour in the industry

IGCSE Economics: **m25 12**

4 What is an example of microeconomics?

A a fall in the cost of growing wheat

B a fall in the unemployment rate

C an increase in the rate of inflation

D an increase in government spending

10 What is the function of money when it is used to value goods and record transactions?

A a medium of exchange

B a standard of deferred payment

C a store of wealth

D a unit of account

IGCSE Economics: **w25 13**

7 The price of fish has increased from $3.00 to $4.80. The quantity supplied of fish has increased from 100 units to 130 units.

What is the price elasticity of supply (PES) of fish?

A 0.5 **B** 1.3 **C** 1.8 **D** 2

IGCSE Economics: **w24 13**

17 What is a macroeconomic aim of government?

A equilibrium prices in markets

B high wages

C low inflation

D profit maximisation

16 A market changes from being very competitive to being a monopoly.

What is likely to happen to output and price in this market?

	output	price
A	decrease	decrease
B	decrease	increase
C	increase	decrease
D	increase	increase

IGCSE Economics: **w24 12**

4 A period of bad weather leads to a failure of the rice crop.

What is the effect on the market for rice?

A a shortage of rice and a fall in its price

B a shortage of rice and a rise in its price

C a surplus of rice and a fall in its price

D a surplus of rice and a rise in its price

IGCSE Economics: **s24 11**

6 What could cause the price of tea to increase?

A decrease in the demand for tea

B decrease in the price of a substitute good

C increase in the price of a substitute good

D increase in the supply of tea

2 Price and elasticity – Part 2

Name: ____________ Class: ________ Date: __________

Vocabulary 词汇

Write each word three times. 把每个单词抄写三遍。

English	中文	Write it 3 times (English)		
equilibrium price	均衡价格			
Price elasticity of demand	需求价格弹性			

Recall

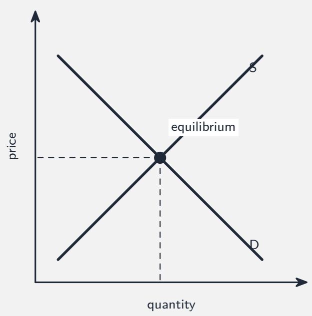
Where supply and demand meet sets the price, and the strength of the response is called elasticity.

New ideas

Read these first, then do the Practice.

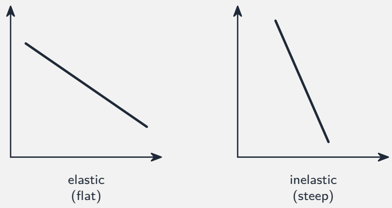
1 The equilibrium price

The **equilibrium price** 均衡价格 is where the demand and supply curves cross — the amount buyers want to buy equals the amount sellers want to sell:



2 Price elasticity

Price elasticity of demand 需求价格弹性 measures how much demand changes when the price changes:



Watch out: the **equilibrium price** is where the demand and supply curves *cross* —demand equals supply. **Elastic** demand (a flat curve) means a big response to a price change; **inelastic** (a steep curve) means a small one.

Practice

Try these in order.

2.6 What is the *equilibrium price*? [1]

2.7 On a diagram, where is the equilibrium? [1]

2.8 What does *price elasticity of demand* measure? [1]

2.9 Is a flat demand curve elastic or inelastic? [1]

2.10 Demand for a product barely changes when its price rises. Is it elastic or inelastic? [1]

2.11 Challenge. Explain why demand for salt is inelastic, but demand for one particular brand of crisps is elastic. [2]

7 A German car producer estimates the price elasticity of demand (PED) for its cars is –2.0.

What can be concluded from this information?

A its cars are price elastic

B its cars are price inelastic

C its cars are unitary elastic

D its cars take time to produce

IGCSE Economics: **m25 12**

28 The US puts a 25% tariff on Chinese steel to protect jobs in the US steel industry.

Under which condition would this policy be most effective?

A The price elasticity of demand for Chinese steel is –2.5.

B The price elasticity of demand for Chinese steel is –0.5.

C The price elasticity of supply for Chinese steel is 2.5.

D The price elasticity of supply for Chinese steel is zero.

IGCSE Economics: **w24 12**

8 When the price of shirts rises from $8 to $10, the demand for shirts falls from 1000 to 500.

What is the value of the price elasticity of demand for shirts?

A greater than 1

B unitary

C less than 1

D zero

7 When the price of butter increased by 10%, the quantity supplied of butter increased by 20%.

What is the price elasticity of supply (PES) of butter?

A –2.0 **B** –0.5 **C** +0.5 **D** +2.0

IGCSE Economics: **s25 11**

8 The price elasticity of supply (PES) of coffee is calculated as +0.2 for the current year and +2.0 in the long run.

Why is the PES of coffee higher in the long run?

A Coffee plants take several years to grow.

B Consumers will not buy coffee at higher prices.

C There are many substitutes for coffee.

D There are no stocks of coffee.

IGCSE Economics: **s25 12**

8 The supply of which good is likely to be most price elastic?

	the good is easily stored	time taken to produce the good
A	no	one day
B	no	one year
C	yes	one day
D	yes	one year

27 What is an advantage of international specialisation?

A Choice is limited.

B Countries become over-dependent on each other.

C Resources are used more efficiently.

D Transport costs are decreased.

IGCSE Economics: **w25 13**

4 What is **not** a function of prices in a market economy?

A prices allow income to be distributed equally

B prices ration scarce resources among economic agents

C prices rise and fall to reflect shortages and surpluses

D prices send information to consumers and producers

IGCSE Economics: **m25 12**

5 There are three key questions to be decided in determining resource allocation within an economy.

What does **not** relate to one of the choices in the three key questions?

A whether all income groups receive the output

B whether consumer or industrial goods are produced

C whether economic goods or free goods are supplied

D whether labour or capital is used in production

IGCSE Economics: **w25 12**

10 What is **not** a role of the central bank?

A to act as the lender of last resort

B to hold deposits from the general public

C to issue notes and coins

D to manage the gold reserves of the country

IGCSE Economics: **w25 13**

2 Which value does opportunity cost measure?

A environmental damage

B next best alternative forgone

C output of labour

D price paid

IGCSE Economics: **s25 11**

17 What is a macroeconomic aim of a government?

A high external costs

B high sales tax

C low unemployment

D low wages

IGCSE Economics: **s25 12**

9 What is a characteristic of a demerit good?

A it is more beneficial to the consumer than they realise

B it is overconsumed in the free market

C it is underproduced in the free market

D it provides external benefits

8 Which pair of economic institutions can be found in a market economy?

A charities and public sector firms

B multinational companies and commercial banks

C public sector firms and private sector firms

D stock exchanges and government-funded hospitals

IGCSE Economics: **w25 12**

8 How are economic decisions determined in a market economic system?

A by a mixture of market forces and government intervention

B by central planners of production and consumption

C by government regulation of the price mechanism

D by the forces of demand and supply

IGCSE Economics: **s25 11**

9 What would a person believe who wished to encourage the use of the market system?

A people should have equal living standards

B people should have freedom of action

C profit maximisation is wrong

D the government should correct people's bad behaviour

IGCSE Economics: **w24 11**

8 Why does a government provide certain goods and services in a mixed economic system?

A The government always provides goods more cheaply than private firms.

B The government considers only private costs and private benefits.

C The government provides goods to prevent the development of monopolies.

D The government provides public goods because private firms cannot charge for them.

3 Households and workers – Part 1

Name: ______ Class: ______ Date: ______

Vocabulary 词汇

Write each word three times. 把每个单词抄写三遍。

English	中文	Write it 3 times (English)		
households	家庭			
workers	工人			
spending	消费			
saving	储蓄			
tax	税			

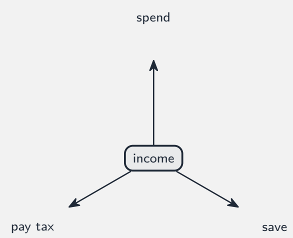
Recall

In an economy, **households** 家庭 earn and spend money, and **workers** 工人 are paid wages for their work.

New ideas

Read these first, then do the Practice.

■ 1 What households do with income



- **spending** 消费 buys goods and services;

- **saving** 储蓄 keeps money for later;
- **tax** 税 goes to the government.

■ 2 What affects wages

- skills & qualifications
- danger / difficulty of the job
- demand for the job

all affect a worker's wage

Watch out: a household can do three things with income —**spend**, **save**, or pay **tax**. Wages depend on a worker's **skills/qualifications**, the **difficulty or danger** of the job, and the **demand** for that work.

Practice

Try these in order.

3.1 Name three things a household can do with its income. [2]

3.2 What is *saving*? [1]

3.3 Where does tax money go? [1]

3.4 Give one thing that affects how much a worker is paid. [1]

3.5 Why might a doctor earn more than a cleaner? [1]

3.6 Challenge. Explain why a surgeon is usually paid much more than a supermarket cashier. [2]

10 Why do banknotes function as money?

A They are backed by gold.

B They are durable.

C They are generally acceptable.

D They have intrinsic value.

IGCSE Economics: **s25 13**

1 What is **not** a factor of production?

A a 10 dollar note

B a farm labourer

C a farm shop

D a tractor

IGCSE Economics: **w24 11**

10 What is **not** a function of money?

A medium of exchange

B portability

C store of value

D unit of account

IGCSE Economics: **w24 13**

10 What is a function of a commercial bank?

A accepting deposits

B controlling money supply

C issuing notes and coins

D lending money to the government

11 If interest rates fall, what will be the most likely effect on saving and borrowing?

	saving	borrowing
A	decrease	decrease
B	decrease	increase
C	increase	decrease
D	increase	increase

IGCSE Economics: **s25 13**

10 A country's central bank raised the rate of interest from 1% to 4% per year.

How would this change have affected the amount saved and the cost of borrowing by individuals?

	amount saved	cost of borrowing
A	decreased	decreased
B	decreased	increased
C	increased	decreased
D	increased	increased

13 What is a feature of every trade union?

A members are unskilled workers

B members use collective bargaining

C members work for the same employer

D members work in the same industry

IGCSE Economics: **s25 11**

13 What is a function of a trade union?

A to negotiate workers' contracts

B to promote workers to more responsible jobs

C to recruit workers for the firm

D to supervise the workers in the firm

IGCSE Economics: **s25 13**

25 What is the most likely reason that an improved standard of education will alleviate poverty?

A It will decrease the productivity of workers.

B It will decrease the rate of unemployment.

C It will increase the government budget deficit.

D It will increase the rate of inflation of an economy.

IGCSE Economics: **w24 13**

22 What does the labour force survey (LFS) measure?

A the number of workers on the national minimum wage

B the proportion of women in the labour force

C the unemployed population

D trade union membership

3 Firms and markets – Part 2

Name: ____________ Class: ________ Date: __________

Vocabulary 词汇

Write each word three times. 把每个单词抄写三遍。

English	**中文**	**Write it 3 times** (English)		
firm	企业			
profit	利润			
competition	竞争			
monopoly	垄断			

Recall

A **firm** 企业 is a business that makes goods or provides services to earn a profit.

New ideas

Read these first, then do the Practice.

■ 1 A firm's profit

revenue (from sales)
− costs (wages, materials)
= profit

A firm tries to earn a **profit** 利润 (and may also aim to grow or simply to survive).

■ 2 Types of market

Markets differ by how much **competition** 竞争 there is:

A **monopoly** 垄断 is a market with only one seller.

Watch out: a firm's **profit** = revenue − costs. Markets vary by **competition**: a **monopoly** has *one* seller (more power, often higher prices), while **perfect competition** has *many* sellers (more choice, lower prices).

Practice

Try these in order.

3.6 What is a *firm*? [1]

3.7 How does a firm work out its profit? [1]

3.8 Give one cost a firm might have. [1]

3.9 What is a *monopoly*? [1]

3.10 In which market is there more competition —a monopoly or perfect competition? [1]

3.11 Challenge. A monopoly is the only seller of a product. Explain one disadvantage this can bring for customers. [2]

13 How might a trade union increase its bargaining power?

A by expanding the market for the product

B by increasing the cost of union membership for workers

C by restricting the entry of workers to the industry

D by supporting wage claims in other industries

14 To be able to produce a car tyre, rubber is required.

If a car tyre manufacturer merges with a supplier of rubber, which type of merger is this?

A conglomerate

B horizontal

C internal

D vertical

IGCSE Economics: **s25 11**

27 What will increase the level of specialisation in an economy?

A A computer manufacturer takes over an advertising company.

B A retail store issues its own credit card.

C A travel agent provides transport to the airport.

D A vehicle assembler reduces its range of vehicles.

14 What must occur if a firm experiences economies of scale?

A average costs decrease

B profits decrease

C the number of workers increases

D total advertising costs decrease

IGCSE Economics: **m25 12**

13 What would be most likely to encourage a firm to grow internally?

A when diseconomies of scale occur at low levels of output

B when economies of scale occur at high levels of output

C when new firms enter the market and increase competition

D when the firm only supplies the local market

IGCSE Economics: **w24 11**

13 What is meant by internal diseconomies of scale?

A average cost for the firm decreases when the output of the firm increases

B average cost for the firm decreases when the output of the industry increases

C average cost for the firm increases when the output of the firm increases

D average cost for the firm increases when the output of the industry increases

IGCSE Economics: **w25 12**

15 When it produces 100 units, a firm's total variable cost is $300 and its total fixed cost is $2700.

What is the average total cost?

A $3 **B** $24 **C** $27 **D** $30

IGCSE Economics: **w25 13**

17 Which role is **not** performed by a government?

A paying dividends to shareholders

B promoting international trade agreements

C providing state benefits

D subsidising merit goods

IGCSE Economics: **s25 12**

13 What are fixed costs?

A costs that are divided by the amount produced

B costs that are present when output is zero

C costs that change according to the level of output

D costs that decrease when output increases

IGCSE Economics: **w24 11**

16 What is the definition of profit maximisation?

A The firm is allocating a proportion of profit to other business objectives.

B The firm is making as much profit as possible.

C The firm is making higher levels of profit this year than last year.

D The firm is making the same amount of profit this year as last year.

16 What is likely to be found when there are many small firms in an industry?

A There are few barriers to entry.

B There is high expenditure on research and development.

C There is little competition.

D Very large capital costs are needed to establish a firm.

IGCSE Economics: **w25 13**

16 What would make the existence of a monopoly market more likely?

A consumers prefer a variety of choice in products

B significant economies of scale can be achieved

C there are low barriers to entry and exit for firms

D there are no restrictions on international trade

IGCSE Economics: **w24 11**

27 Which statement shows two benefits for consumers from specialisation at a national level?

A decreased prices and better quality

B decreased profits and high-quality raw materials

C increased choice and high transport costs

D increased productivity and increased economies of scale

IGCSE Economics: **s24 11**

8 What could **not** occur in a market economic system?

A a monopolist supplying specialist goods to the market

B excessive pollution created by power stations

C governments setting minimum wages to relieve poverty

D private ownership of firms making defence equipment

4 Government aims and policy – Part 1

Name: ______________ Class: __________ Date: ____________

Vocabulary 词汇

Write each word three times. 把每个单词抄写三遍。

English	**中文**	**Write it 3 times** (English)		
economy	经济			
economic growth	经济增长			
low unemployment	低失业			
stable prices	物价稳定			
fiscal policy	财政政策			
tax	税收			
monetary policy	货币政策			
interest rates	利率			

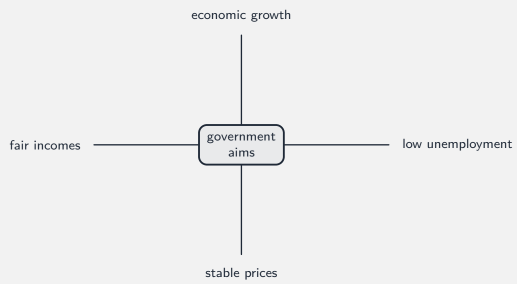
Recall

A government wants the **economy** 经济 to do well. It uses policies to reach its aims.

New ideas

Read these first, then do the Practice.

■ 1 Government aims



- **economic growth** 经济增长—the economy produces more;
- **low unemployment** 低失业—most people have jobs;
- **stable prices** 物价稳定—prices do not rise too fast.

■ 2 Two policies

- **fiscal policy** 财政政策 changes **tax** 税收 and government spending;
- **monetary policy** 货币政策 changes **interest rates** 利率.

Watch out: fiscal policy uses *tax and government spending*; **monetary** policy uses *interest rates* —keep them apart. A government's main aims are growth, low unemployment, stable prices and fair incomes.

Practice

Try these in order.

4.1 Name two aims of a government. [2]

4.2 What is *economic growth*? [1]

4.3 What does fiscal policy change? [2]

4.4 What does monetary policy change? [1]

4.5 If the government raises interest rates, is that fiscal or monetary policy? [1]

4.6 Challenge. Classify each as fiscal or monetary policy: (a) cutting income tax, (b) raising interest rates, (c) increasing spending on hospitals. [3]

18 A government has stated for the next year it has four main aims.

1 low and stable inflation

2 providing subsidies to farmers

3 raising productivity of workers in the public sector

4 stability in the balance of payments

What are the two macroeconomic aims for the government?

A 1 and 2 **B** 1 and 4 **C** 2 and 3 **D** 3 and 4

IGCSE Economics: **w24 11**

17 The central bank of Mexico set its rate of interest to try to keep the rise in the price level to only 3%.

Which government aim was it directly trying to achieve?

A balance of payments equilibrium

B economic growth

C full employment

D low inflation

IGCSE Economics: **w24 13**

11 Under which circumstances are households more likely to save?

	inflation rate	interest rate	unemployment rate
A	high	high	high
B	high	high	low
C	low	high	low
D	low	low	low

19 What is **not** a monetary policy measure?

A changes in income tax rates

B changes in interest rates

C changes in the exchange rate

D changes in the money supply

IGCSE Economics: **s25 11**

21 Which policy decision is most likely to cause economic growth?

A an increase in corporation tax rates

B an increase in interest rates

C an increase in the amount workers can earn before paying income tax

D an increase in the government's regulations for starting a new business

IGCSE Economics: **s25 12**

19 What is **not** a likely consequence of a rise in the budget deficit in a year?

A a rise in government borrowing

B a rise in the level of exports

C a rise in the national debt

D a rise in the rate of inflation

IGCSE Economics: **w24 11**

4 Which person is most likely to make a microeconomic decision as part of their job?

A a government finance minister

B the global administrator of the Human Development Index

C the governor of the central bank

D the manager of a private sector firm

19 Which policy measures would be classified as fiscal policy?

A changes in interest rates and money supply

B changes in labour market policies to encourage more training

C changes in tax rates and government spending

D changes in the exchange rate

IGCSE Economics: **s25 12**

20 When a government aims to encourage economic growth, it may adopt supply-side policies.

Which policy is a supply-side policy?

A increasing the money supply

B lowering interest rates

C reducing indirect taxation

D retraining unemployed workers

IGCSE Economics: **m25 12**

29 What might a central bank do to stop a fall in the value of its country's currency?

A raise interest rates

B reduce taxes on imports

C remove controls on currency outflows

D sell their currency on the foreign exchange market

4 Unemployment and inflation – Part 2

Name: ____________ Class: ________ Date: __________

Vocabulary 词汇

Write each word three times. 把每个单词抄写三遍。

English	中文	Write it 3 times (English)		
Unemployment	失业			
Inflation	通货膨胀			

Recall

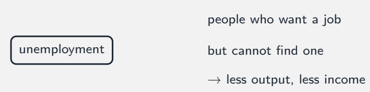
Two common economic problems are unemployment and inflation.

New ideas

Read these first, then do the Practice.

1 Unemployment

Unemployment 失业 is people who want a job but cannot find one:



It is a problem because the economy makes less, and those people have less income.

2 Inflation

Inflation 通货膨胀 is a general rise in prices over time:

High inflation is a problem because money buys less than it did before.

Watch out: unemployment is people who *want* a job but can't find one —it means lost output and lost income. **Inflation** is a *general rise in prices*, so money buys less over time.

Practice

Try these in order.

4.6 What is *unemployment*? [1]

4.7 Give one reason unemployment is a problem. [1]

4.8 What is *inflation*? [1]

4.9 Why is high inflation a problem? [1]

4.10 If prices rise by 5% in a year, what is the inflation rate? [1]

4.11 Challenge. A worker's wage rises by 3% in a year when inflation is 5%. Explain whether the worker is better or worse off. [2]

17 What are two macroeconomic aims of government?

A to allocate resources and reduce trade union membership

B to create economic growth and prevent high inflation

C to raise interest rates and reduce pollution

D to reduce exports and increase imports

20 Which government action would **not** be included as part of a supply-side policy?

A increasing the privatisation of industries

B lowering national minimum wage rates

C raising tariffs on international trade

D reducing state benefits

28 Which government policy would encourage greater international trade?

A an increase in the level of domestic regulation

B an increase in the level of tariffs on imports

C the abolition of domestic subsidies for declining industries

D the abolition of free trade agreements

IGCSE Economics: **s25 13**

17 What is the most likely reason for a government to aim for price stability?

A to improve international competitiveness

B to increase workers' wage demands

C to reduce consumer spending

D to reduce spending on employment-related benefits

24 What is deflation?

A a sustained fall in total demand

B a sustained fall in the general price level

C a sustained fall in the rate of inflation

D a sustained fall in the value of money

IGCSE Economics: **w25 13**

22 How is economic growth of a country measured?

A by an increase in the monetary value of goods produced

B by an increase in the number of people in employment

C by an increase in the real Gross Domestic Product (GDP)

D by an increase in the value of the Human Development Index (HDI)

IGCSE Economics: **s25 12**

30 What is a consequence of a surplus on the current account of the balance of payments?

A a decrease in GDP

B a decrease in unemployment

C a depreciation of the foreign exchange rate

D deflation

IGCSE Economics: **w24 12**

17 What will cause real GDP to rise in a country?

A nominal GDP rising at a faster rate than employment

B nominal GDP rising faster than inflation

C nominal GDP rising faster than the population

D nominal GDP rising

21 What does a successful supply-side policy increase in an economy?

A the level of unemployment

B the production possibilities

C the rate of inflation

D the rate of interest

IGCSE Economics: **w25 13**

12 What would increase the strength of a trade union?

A a growth in part-time employment

B a growth in the membership

C a rise in the national minimum wage

D a rise in the standard of living

IGCSE Economics: **s25 13**

24 What is likely to cause deflation?

A higher employment

B higher production costs

C increased money supply

D technological advances

IGCSE Economics: **s24 11**

17 Which macroeconomic aim, if achieved, is most likely to increase a government budget surplus?

A full employment

B income redistribution

C low inflation

D balance of payments stability

20 What is the most likely result of a fall in interest rates?

A a fall in inflation

B a fall in investment

C a rise in consumer spending

D a rise in saving

IGCSE Economics: **w24 12**

10 What is an important role of a central bank?

A attempts to achieve price stability

B issues credit cards

C provides loans to producers

D provides savings accounts for consumers

20 What is the definition of economic growth?

A It is an increase in the general level of prices over time.

B It is an increase in the level of a nation's output over time.

C It is an increase in the level of total demand over time.

D It is an increase in wages, interest, profits and rent over time.

IGCSE Economics: **s24 11**

20 What is the definition of a supply-side policy?

A any policy designed to decrease inflation

B any policy designed to decrease unemployment

C any policy designed to increase imports

D any policy designed to increase productivity

5 Living standards and poverty – Part 1

Name: ______ Class: ______ Date: ______

Vocabulary 词汇

Write each word three times. 把每个单词抄写三遍。

English	中文	Write it 3 times (English)		
Living standards	生活水平			
GDP per person	人均			
Poverty	贫困			

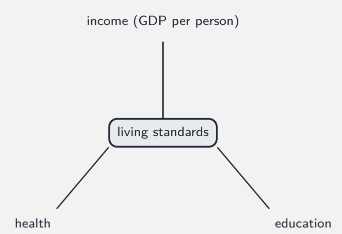
Recall

Living standards 生活水平 are how well people live. They depend on more than just money.

New ideas

Read these first, then do the Practice.

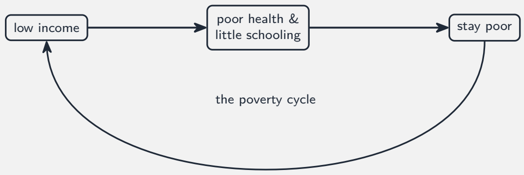
■ 1 Measuring living standards



One measure is **GDP per person** 人均 GDP —the average income in a country. Health and education matter too.

■ 2 Poverty

Poverty 贫困 is when people cannot afford basic needs. It can trap people:



Watch out: living standards depend on **more than income** —health and education matter too. **GDP per person** is the *average* income, so it can hide big gaps between rich and poor. Poverty can be a **trap**: low income → poor health/schooling → low income.

Practice

Try these in order.

5.1 What are *living standards*? [1]

5.2 Give one measure of living standards. [1]

5.3 Besides money, name one thing that affects living standards. [1]

5.4 What is *poverty*? [1]

5.5 Why can poverty trap people? [1]

5.6 Challenge. Two countries have the same GDP per person, but one has far better health and schooling. Explain which likely has the higher living standards. [2]

22 Factory owners invest in technologically-advanced industrial production by building new large-scale, energy-efficient factories.

What is a negative consequence of this for local people?

A a large increase in the factory owners' incomes

B a reduction in the rate of inflation

C a rise in structural unemployment

D lower emissions of carbon gases

20 What is Gross Domestic Product (GDP) divided by in order to calculate GDP per head?

A the adult population

B the dependent population

C the total population

D the working population

26 Which country would be classified as the most developed based on the data in the table?

	gross domestic product per year ($m)	population (millions)
A	600	3
B	700	2
C	12 000	40
D	15 000	100

1 A government wants to build a new hospital.

What is most likely to prevent the government from doing this?

A People in the country cannot afford healthcare.

B People in the country would go abroad for healthcare.

C The government cannot agree how big the hospital should be.

D The government does not have enough money.

IGCSE Economics: **s25 12**

21 An economy that is fully employed is forecast to have an increase in total demand.

What is most likely to increase?

A the rate of absolute poverty

B the government budget deficit

C the level of unemployment

D the rate of inflation

IGCSE Economics: **m25 12**

25 Wealthy countries have people who live in relative poverty.

What is the most likely cause of this?

A generous state pensions

B low national minimum wage

C progressive taxation

D subsidised healthcare

5 Population and development – Part 2

Name: ______________ Class: __________ Date: ____________

Vocabulary 词汇

Write each word three times. 把每个单词抄写三遍。

English	中文	Write it 3 times (English)		
population	人口			
birth rate	出生率			
death rate	死亡率			
developed country	发达国家			
developing country	发展中国家			

Recall

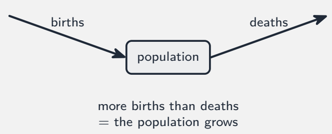
Countries differ in their population growth and in how developed they are.

New ideas

Read these first, then do the Practice.

1 Population

A country's **population** 人口 grows when there are more births than deaths:



The **birth rate** 出生率 and **death rate** 死亡率 control how fast it changes.

2 Developed and developing

developed	developing
high income	low income
good health	poorer health
more schooling	less schooling

A **developed country** 发达国家 has high living standards; a **developing country** 发展中国家 is still growing its economy.

Watch out: a population **grows** when **births exceed deaths**. A **developed** country has high living standards (high income, good health, more schooling); a **developing** country is still growing its economy and has less of each.

Practice

Try these in order.

5.6 When does a population grow? [1]

5.7 What is the *birth rate*? [1]

5.8 Give one feature of a developed country. [1]

5.9 Give one feature of a developing country. [1]

5.10 Is a country with high income and good health more likely developed or developing? [1]

5.11 Challenge. A country has a high birth rate and a falling death rate. Explain what is happening to its population, and why the death rate might be falling. [3]

26 Which combination of statistics is used to calculate the natural population growth of a country?

	1st statistic	2nd statistic
A	birth rate	net immigration
B	death rate	birth rate
C	emigration	death rate
D	immigration	emigration

IGCSE Economics: **s25 13**

26 What will increase a country's population, all other things being equal?

A a rise in emigration

B a rise in immigration

C death rates higher than birth rates

D decreased life expectancy

27 Country Y decides to specialise in the domestic mining of rare metals required in the production of electric-car batteries.

What is a likely benefit of this for country Y?

A increased emigration

B increased exports

C increased imports

D increased tariff revenue

25 In rural areas in developing countries, farmers grow food for their own consumption.

Why might this mean that the GDP is a weak measure of the standard of living in those countries?

A The food grown is not exported.

B The GDP does not include agricultural production.

C The GDP only refers to the public sector.

D The value of the food is unknown.

IGCSE Economics: **s25 13**

20 What is most likely to be a reason for taxing oil?

A to conserve oil resources

B to create employment

C to encourage economic growth

D to reduce oil prices

IGCSE Economics: **m25 12**

27 A country has large reserves of oil. It decides to produce a wide range of goods rather than specialise in oil production.

What is **not** an acceptable reason in support of this decision?

A Oil is a non-renewable resource that could be exhausted quickly.

B Producing a wide range of goods increases the benefits from free trade.

C Relying on other countries for vital goods and services makes a country vulnerable.

D The price of oil is volatile, making export revenue unstable.

6 Trade and specialisation – Part 1

Name: ______________ Class: __________ Date: ____________

Vocabulary 词汇

Write each word three times. 把每个单词抄写三遍。

English	中文	Write it 3 times (English)		
exports	出口			
imports	进口			
specialisation	专业化			
trade protection	贸易保护			
tariff	关税			

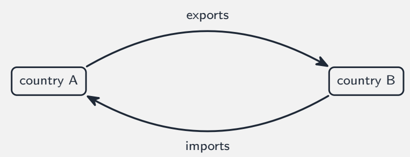
Recall

Countries trade with each other. They sell **exports** 出口 and buy **imports** 进口.

New ideas

Read these first, then do the Practice.

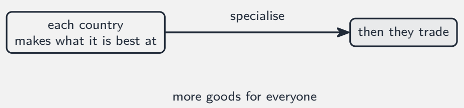
> ■ **1 International trade**



- **exports** are goods a country sells abroad;
- **imports** are goods a country buys from abroad.

■ 2 Specialisation

With **specialisation** 专业化, each country makes what it is best at, then trades — so everyone gets more:



Some governments use **trade protection** 贸易保护—like a **tariff** 关税 (a tax on imports) —to protect their own industries.

Watch out: exports are sold *abroad* (money in); **imports** are bought *from abroad* (money out) —don't swap them. With **specialisation** each country makes what it is best at and trades, so total output and choice rise. A **tariff** is a *tax on imports*.

Practice

Try these in order.

6.1 What are *exports*? [1]

6.2 What are *imports*? [1]

6.3 What is *specialisation*? [1]

6.4 Give one benefit of countries specialising and trading. [1]

6.5 What is a *tariff*? [1]

6.6 Challenge. Explain one benefit and one drawback of a government putting a tariff on imported cars. [2]

IGCSE Economics: **w25 13**

28 What is **not** a likely benefit of free trade?

A consumers should experience lower prices

B consumers should have a greater choice of goods

C firms could be protected from foreign competition

D firms could take advantage of economies of scale

IGCSE Economics: **w24 12**

27 What might encourage international specialisation between countries?

A free trade

B inefficiencies in production

C labour immobility

D tariffs

IGCSE Economics: **s24 11**

27 What is an advantage to a firm of specialisation at a national level?

A dependency on supplies from other countries

B greater competition from overseas firms

C greater depletion of the country's natural resources

D lower average costs due to economies of scale

28 What might an economist consider to be meant by the term *dumping*?

A foreign firms exporting waste products

B foreign firms producing goods at a lower cost than domestic firms

C foreign firms selling goods that are out of fashion

D foreign firms exporting products at a price below the cost of production

IGCSE Economics: **w24 11**

28 A multinational company (MNC) opens up a new factory in a host country.

What is a possible cost of this new factory to the host country?

A increased access to modern technology

B increased competition for host-country industries

C increased employment for workers

D increased tax revenue for the government

IGCSE Economics: **s24 11**

28 What is an intended outcome of protecting infant industries from free trade?

A to decrease the competitiveness of domestic firms

B to decrease the demand for exported goods

C to increase employment in domestic firms

D to increase the supply of imported goods

6 Exchange rates and trade balance – Part 2

Name: ____________ Class: ________ Date: __________

Vocabulary 词汇

Write each word three times. 把每个单词抄写三遍。

English	**中文**	**Write it 3 times** (English)
exchange rate	汇率	
balance of payments	国际收支	

Recall

When countries trade, they swap currencies, and they keep a record of money flowing in and out.

New ideas

Read these first, then do the Practice.

1 Exchange rates

An **exchange rate** 汇率 is the value of one currency in terms of another:

If the exchange rate rises, your money buys more foreign currency.

2 The balance of payments

The **balance of payments** 国际收支 records the money flowing in (from exports) and out (for imports):

exports (money in) > imports (money out)

= a surplus

imports > exports = a deficit

Watch out: an **exchange rate** is the value of one currency in another. A **surplus** is exports *greater than* imports (more money in); a **deficit** is imports *greater than* exports (more money out) —match the direction.

Practice

Try these in order.

6.6 What is an *exchange rate*? [1]

6.7 If $1 = 7yuan, howmanyyuandoyougetfor5$? [1]

6.8 What does the balance of payments record? [1]

6.9 What is a trade *surplus*? [1]

6.10 What is a trade *deficit*? [1]

6.11 Challenge. The exchange rate is $1 = 6 yuan. (a) How many yuan would $20 buy? (b) How many dollars would 300 yuan buy? [3]

30 What is most likely to directly result from a persistent and large current account surplus on the balance of payments of a country?

A a lower exchange rate

B a lower standard of living

C an increase in gross domestic product

D an increase in the unemployment rate

IGCSE Economics: **w24 11**

30 What is the most likely cause of an increased current account surplus in a country?

A lower prices for the country's exports

B higher exchange rate for the country

C economic growth in the country

D recession in trade-partner countries

IGCSE Economics: **w24 12**

18 What is the money supply?

A the total quantity of foreign currency available within the economy

B the total quantity of money available within the economy

C the total quantity of money issued by the central bank

D the total quantity of money within commercial banks

27 What is a likely benefit of increased national specialisation?

A It guarantees a balance of trade in goods and services surplus.

B It increases dependency on other economies.

C It lengthens international supply chains.

D It reduces the cost of living.

IGCSE Economics: **s25 13**

21 Brazil's real GDP fell by 3.8% in a year.

What might have caused this?

A a decrease in imports

B a decrease in income tax

C an increase in interest rates

D an increase in output per worker

IGCSE Economics: **w24 13**

27 What encourages international specialisation?

A a foreign exchange shortage

B diseconomies of scale

C free trade

D quotas