

Solutions

IGCSE Economics answers are marked by **level of response**: award **K** knowledge, **App** application, **An** analysis and **Ev** a justified judgement.

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

2.1

- **unemployment** is people who can work and want to work but **cannot find a job** (K)

2.2

- any **two** of: **frictional** / **structural** / **cyclical** / **seasonal** (K, K)

2.3

- the **claimant count** or the **labour force survey** (K)

3.1 C

- a recession with low total demand causes **cyclical unemployment** (K)
- A is between jobs; B is a shrinking industry; D is time of year

3.2

- **frictional** unemployment is short-term, when a worker is **between jobs** (K)
- **structural** unemployment happens when a whole industry shrinks and workers' skills are no longer wanted (An)
- one is brief and normal; the other is **longer-term** and harder to fix (An)

3.3

- unemployed **workers** lose income and may lose skills (K)
- the **country** loses output; the **government** pays more in benefits and collects less tax (An)
- **society** may suffer more crime and poorer health — high unemployment is costly (An)