

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

- **real GDP per head** is real GDP **divided by population** — roughly the average income per person (K)

2.2

- the three components of the HDI
- **income** (per head), **education** (years of schooling), **health** (life expectancy) (K each)

2.3

- any **one** of: it is an **average** that hides income distribution / it omits unpaid work, pollution and free time (K)

3.1 C

- the **inflation rate** is **not** part of the HDI (K)
- A, B and D are the three HDI components

3.2

- GDP per head measures only **average income**, which can hide poor health or low schooling (K)
- the HDI adds **life expectancy** and **education** (An)
- it captures a **wider quality of life** (An)

3.3

- GDP per head is only an **average**, so two countries with the same figure can differ widely (K)
- in one, income is shared fairly with good health and education; in the other, a few rich people pull the average up (An)
- **distribution**, health, education, pollution and free time all affect living standards beyond average income (An)