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

- **growth** is a rise in real output (GDP); **development** is a rise in people's **well-being** — health, education and income — not just output (K)

2.2

- any **two** contrasts of: **income per head** (high vs low) / **productivity** / **birth rate** / **capital per worker** (K, K)

2.3

- **subsistence farming** is growing food only for one's own family, with little or none to sell (K)

3.1 C

- a developing country usually has a **higher birth rate** (K)
- A, B and D describe a developed country

3.2

- for **each** of two reasons: K + An
- e.g. **low productivity**: less capital and skill, and much subsistence farming, so each worker produces little → low incomes
- e.g. **debt**: large debt repayments leave less for schools and hospitals → development and incomes stay low

3.3

- **helps**: trade brings income, lets a country specialise, and gives access to machines and technology (K + An)
- **harm**: developing countries may rely on a few low-value primary exports with **unstable prices**, and can become dependent (An)
- **judgement (Ev)**: trade can aid development if the country can move into **higher-value** goods — it depends on what it trades and on fair terms