Solutions

Marking: **K** knowledge, **App** application to the case, **An** analysis (a developed chain of reasoning), **Ev** evaluation (a justified judgement); calculations earn **M1** for the method and **A1** for the answer.

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

2.1

- 60 000 ÷ 8000
- = **7.5** times

2.2

any three (1 each):

- little **capital**: hand tools instead of machines
- **subsistence** farming on small plots
- lower skills and education; poor seeds, fertiliser and irrigation
- poor roads to reach markets

2.3

- repayments use money that could go on **schools**, health and infrastructure (K)
- so skills and productivity stay low, holding back growth in income (An)

3.1

C

3.2

(a)

- 48 000 ÷ 2400
- = **20** times

(b) two reasons, each explained with data (K + App each):

- 60 % of jobs are in **farming**, mostly low-productivity subsistence work
- a birth rate of 34: fast **population** growth spreads income over more people
- low GDP per head ($2400) leaves little to save or invest

(c) a developed chain, for example:

- 5000 workers get **jobs** and wages, often higher than in farming (App)
- they spend their wages, so local firms grow (the multiplier) (An)
- workers gain **skills**; local suppliers learn new methods (An)
- the government collects more **tax** to spend on schools and health (An)
- exports earn foreign currency for machines and imports (An)

(d) for: (An)

- brings capital, jobs, skills and technology quickly; exports

against: (An)

- **profits** go abroad; wages may be low and conditions poor; the firm may leave if costs rise; pollution
- alternatives: education and health spending, infrastructure, fair trade, aid, debt relief

judgement: (Ev) for example, multinational investment helps if the government sets rules on wages and the environment and uses the tax for schools; on its own, without education, it does not raise living standards widely.

Level 3 (6–8): both sides analysed and a justified judgement. Level 2 (3–5): one side analysed or both explained. Level 1 (1–2): simple points.