

Week 23

IGCSE Economics

Homework bundle for this week

本周作业合集

exercises.lol

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1. GDP per head is calculated as:

- ☐ GDP divided by population
- ☐ GDP multiplied by population
- ☐ GDP minus tax
- ☐ population divided by GDP

2. Absolute poverty means:

- ☐ not having enough for basic needs
- ☐ earning less than your neighbour
- ☐ having an average income
- ☐ paying high taxes

3. A country's population rises when:

- ☐ births plus immigration exceed deaths plus emigration
- ☐ deaths exceed births
- ☐ emigration exceeds immigration
- ☐ the birth rate is zero

4. Compared with developing countries, developed countries typically have:

- ☐ higher income per head and better health/education
- ☐ faster population growth
- ☐ more farming and less industry
- ☐ lower life expectancy

5. Which does the HDI include? (Select all that apply.)

- ☐ income
- ☐ education
- ☐ health (life expectancy)
- ☐ the inflation rate

Tick every correct option.

6. A family that can meet its basic needs but has far less than the national average is in:

- ☐ relative poverty

- ☐ absolute poverty
- ☐ no poverty
- ☐ inequality of wealth only

7. Which help explain why a country is more developed? (Select all that apply.)

- ☐ more capital and infrastructure
- ☐ a skilled, healthy workforce
- ☐ political stability and trade
- ☐ a higher inflation rate

Tick every correct option.

8. The HDI gives a fuller picture of living standards than income alone.

- ☐ True ☐ False

9. Which policies help reduce poverty? (Select all that apply.)

- ☐ progressive taxes
- ☐ welfare benefits
- ☐ free education
- ☐ cutting the minimum wage

Tick every correct option.

10. Over-population means too many people relative to available resources.

- ☐ True ☐ False

IGCSE Economics

1. **GDP divided by population**

GDP per head = total output $\div$ population.

2. **not having enough for basic needs**

Absolute poverty is a lack of basic necessities.

3. **births plus immigration exceed deaths plus emigration**

Natural increase plus net migration drives growth.

4. **higher income per head and better health/education**

Developed economies have higher income, health and education.

5. **income; education; health (life expectancy)**

The HDI combines income, education and health.

6. **relative poverty**

Relative poverty is defined against the average in society.

7. **more capital and infrastructure; a skilled, healthy workforce; political stability and trade**

Capital, human capital and stability drive development.

8. **True**

It adds health and education to income.

9. **progressive taxes; welfare benefits; free education**

Cutting the minimum wage would worsen poverty.

10. **True**

It is about the people-to-resources ratio, not absolute numbers.

5.1 Living standards

Name: _____ Class: _____ Date: _____

Total: 17 marks

KEY WORDS living standards 生活水平 • population 人口 • per head 人均 • income 收入
• hdi 人类发展指数

Objective

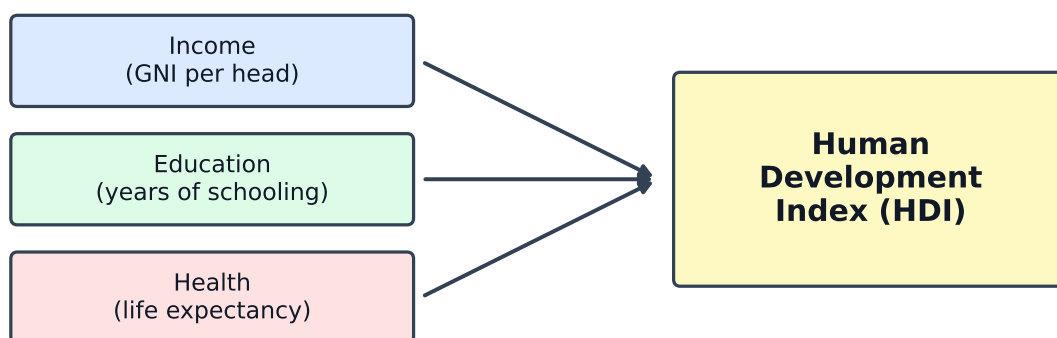
Build the skills to answer exam questions on **living standards** 生活水平 — **real GDP per head** 人均实际 GDP, the **Human Development Index** 人类发展指数 (HDI), and the limits of comparing living standards.

You must be able to:

- explain real GDP per head and the HDI
- state the three components of the HDI
- analyse the limits of GDP per head as a measure

1 Worked examples

■ Measuring living standards

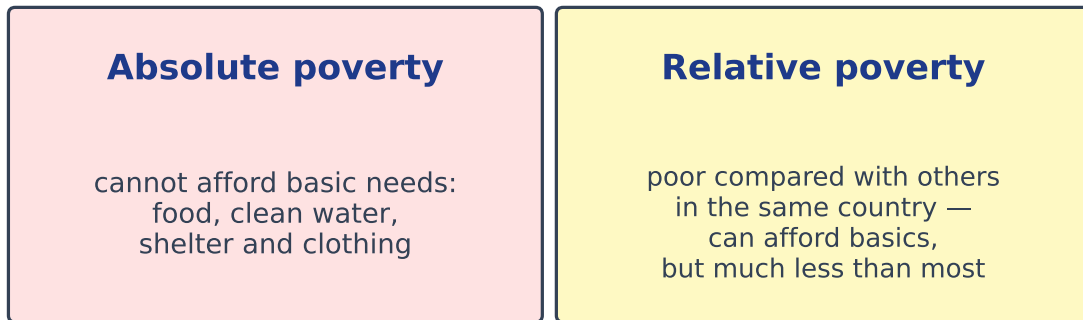


Exam: $\text{HDI} = \text{income} + \text{education} + \text{health}$ — broader than GDP alone for living standards

Living standards = income, health, education and quality of life

- **Real GDP per head** 人均实际 GDP: total output $\div$ population, after removing inflation $\rightarrow$ roughly average income.
- **HDI** 人类发展指数 (0 to 1): combines income, education (years of schooling), health (**life expectancy** 预期寿命).

- **Limits of GDP per head:** it is an average (hides **income distribution** 收入分配), omits unpaid work, pollution and free time.



Exam: absolute = cannot meet basic needs; relative = far below the country's typical living standard

An average can hide poverty — high GDP per head still leaves people in absolute or relative poverty

Answer shapes: K + App + An + Ev (a justified judgement, for discuss questions).

2 Practice

2.1 Define the term *real GDP per head*. [2]

2.2 State the three components of the HDI. [3]

2.3 State one limitation of using GDP per head to compare living standards. [1]

3 Exam-style questions

3.1 Which is **not** part of the Human Development Index?

[1]

- **A** income per head
 - **B** life expectancy
 - **C** the inflation rate
 - **D** years of schooling
-

3.2 Explain why the HDI may be a better measure of living standards than real GDP per head.

[4]

3.3 Analyse why two countries with the same real GDP per head may have different living standards.

[6]

Solutions

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

2.1 the total real output (real GDP) of a country divided by its population — roughly the average income per person (2 for a clear definition; 1 for a partial idea).

2.2 income (per head); education (years of schooling); health (life expectancy) (1 + 1 + 1).

2.3 any one of: it is an average that hides income distribution; it omits unpaid work, pollution and free time (1).

3.1 C. The inflation rate is not part of the HDI.

3.2 [4] K 1 + An up to 3 — GDP per head measures only average income, which can hide poor health or low schooling and uneven distribution → the HDI adds life expectancy and education → so it captures the wider quality of life, giving a fuller picture of living standards.

3.3 [6] K/App/An — GDP per head is only an average of income, so two countries with the same figure can differ widely: in one, income may be shared fairly with good health and education; in the other, a few rich people may pull the average up while most are poor with poor schooling and short life expectancy → factors like income distribution, health, education, pollution and free time all affect living standards beyond average income.

25 The table shows the Human Development Index (HDI) value for a country in two years.

year	HDI value
1	0.467
2	0.609

What would **not** explain the change in the HDI value?

- A** an increase in gender equality
- B** an increase in income per head
- C** an increase in life expectancy
- D** an increase in years of schooling

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

5.2 Poverty

Name: _____ Class: _____ Date: _____

Total: 19 marks

KEY WORDS poverty 贫困 • absolute poverty 绝对贫困 • causes 原因
• economic growth 经济增长 • relative poverty 相对贫困

Objective

Build the skills to answer exam questions on **poverty** 贫困 — **absolute and relative** 绝对与相对 poverty, the **causes** 原因, and the **policies** 政策 to reduce it.

You must be able to:

- distinguish absolute from relative poverty
- explain the causes of poverty
- analyse policies to reduce poverty

1 Worked examples

■ Two types of poverty

Absolute poverty

cannot afford basic needs:
food, clean water,
shelter and clothing

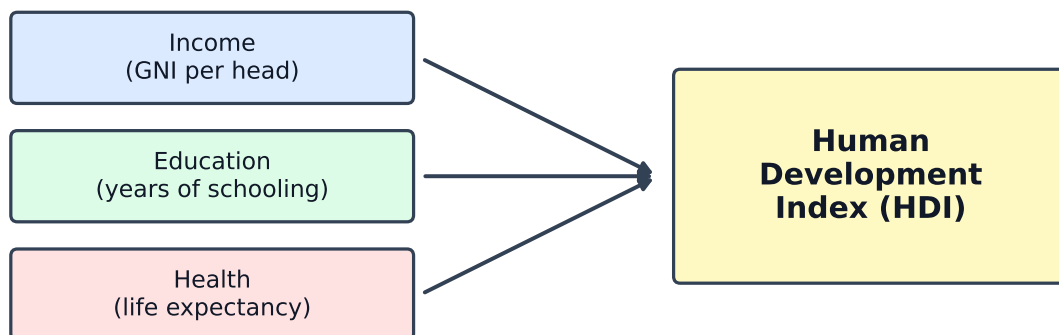
Relative poverty

poor compared with others
in the same country —
can afford basics,
but much less than most

Exam: absolute = cannot meet basic needs; relative = far below the country's typical living standard

Poverty: when people cannot afford a basic standard of living

- **Absolute poverty** 绝对贫困: cannot afford even basics (food, clean water, shelter).
- **Relative poverty** 相对贫困: poor *compared with others* in the same country.
- **Causes:** low income/wages or unemployment, poor education and health, old age, large families.
- **Policies:** **economic growth** 经济增长, **redistribute** 再分配 income, a **minimum wage** 最低工资, **benefits** 福利, better state education/healthcare.



Exam: HDI = income + education + health — broader than GDP alone for living standards

Poverty and development move together — the HDI captures the income, health and education a poor country lacks

Answer shapes: K + App + An + Ev (a justified judgement, for discuss questions).

2 Practice

2.1 Define the term *absolute poverty*. [2]

2.2 State the difference between absolute and relative poverty. [2]

2.3 State two causes of poverty. [2]

3 Exam-style questions

3.1 A person who can afford the basics but earns far less than most others in their country is in: [1]

- **A** absolute poverty
 - **B** relative poverty
 - **C** no poverty
 - **D** unemployment
-

3.2 Explain two policies a government could use to reduce poverty. [4]

3.3 Discuss whether economic growth is the best way to reduce poverty. [8]

Solutions

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

2.1 when people cannot afford even the basic needs of food, clean water, shelter and clothing (2 for a clear definition; 1 for a partial idea).

2.2 absolute poverty means lacking basic needs; relative poverty means being poor compared with most others in the same country (2 for a clear difference; 1 for a partial idea).

2.3 any two of: low income/wages; unemployment; poor education or health; old age; large families (1 + 1).

3.1 B. Being poor compared with others in the same country is relative poverty.

3.2 [4] For **each** of two policies: K 1 + An 1 — *benefits*: cash payments raise the income of the poorest → less absolute poverty; *minimum wage*: a legal lowest wage raises the pay of low-paid workers → fewer of the working poor.

3.3 [8] K/App/An up to 5 + Ev up to 3. **For growth**: a growing economy creates jobs and incomes, and gives the government more tax to fund help for the poor. **Against**: if the gains go mostly to the rich, growth can leave the poor behind (relative poverty may even rise), and growth alone does not guarantee schools, healthcare or benefits reach them. **Judgement (Ev)**: growth helps reduce poverty when its gains are shared, but it works best combined with redistribution and better services — so it is not enough on its own.

- 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.

- 4 Lanzarote, a Spanish island, was once an area with very high rates of poverty. However, the rise of tourism has greatly reduced unemployment. The government is trying to attract more workers to the island by using non-wage factors. Lanzarote's low taxes also attract workers to the island. Mobility of labour in the island's economy has also increased.

- (a) Identify **two** non-wage factors that may influence a worker's job choice. [2]
- (b) Explain how unemployment can lead to poverty. [4]
- (c) Analyse the influences on the mobility of labour. [6]
- (d) Discuss whether or not low taxes are beneficial for an economy. [8]

- 4 The Central African country Chad has a triangle-shaped population pyramid and a high level of poverty. It regularly has an overall deficit on the current account of its balance of payments. Chad usually has a surplus on its secondary income. However, its trade in goods, trade in services and primary income are all usually in deficit. Some economists suggest that the Chadian Government should impose import quotas to reduce its trade in goods deficit.

- (a) Define *primary income*. [2]
- (b) Explain **two** influences on the shape of a country's population pyramid. [4]
- (c) Analyse the causes of poverty. [6]
- (d) Discuss whether or not imposing import quotas will reduce a trade in goods deficit. [8]

- 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

- 2** The shape of Colombia's population pyramid is changing. The income distribution of this South American country, however, is not changing significantly. The country has one of the most unequal income distributions in the world. Some Colombians work in its footwear industry which produces shoes, sandals and boots. Although footwear is produced in the private sector, Colombia has a mixed economic system.

- (a) Define *population pyramid*. [2]
- (b) Explain **two** reasons why income may become more unevenly distributed. [4]
- (c) Analyse the influences on whether demand for shoes is elastic or inelastic. [6]
- (d) Discuss whether or not a mixed economic system will benefit the people who live in that economy. [8]

- 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

- 24** The table shows the distribution of income as measured by GDP for three countries in a year.

	percentage of GDP received by each 20% of households				
	highest 20%	second highest 20%	middle 20%	second lowest 20%	lowest 20%
Belgium	36.4	22.4	18.0	14.3	8.9
Mexico	51.7	20.0	13.5	9.4	5.4
US	46.9	22.4	15.3	10.3	5.1

What can be concluded from the table?

- A** The lowest 20% of households in the US have lower incomes than the lowest 20% of households in Mexico.
- B** The lowest 40% of households in Belgium receive a larger share of the country's income than the highest 20% of households.
- C** The distribution of income is most equal in Belgium.
- D** The highest 20% of households in the US receive half of the country's income.

5.3 Population

Name: _____ Class: _____ Date: _____

Total: 17 marks

KEY WORDS population 人口 • migration 移民 • birth rate 出生率 • immigration 迁入
• death rate 死亡率

Objective

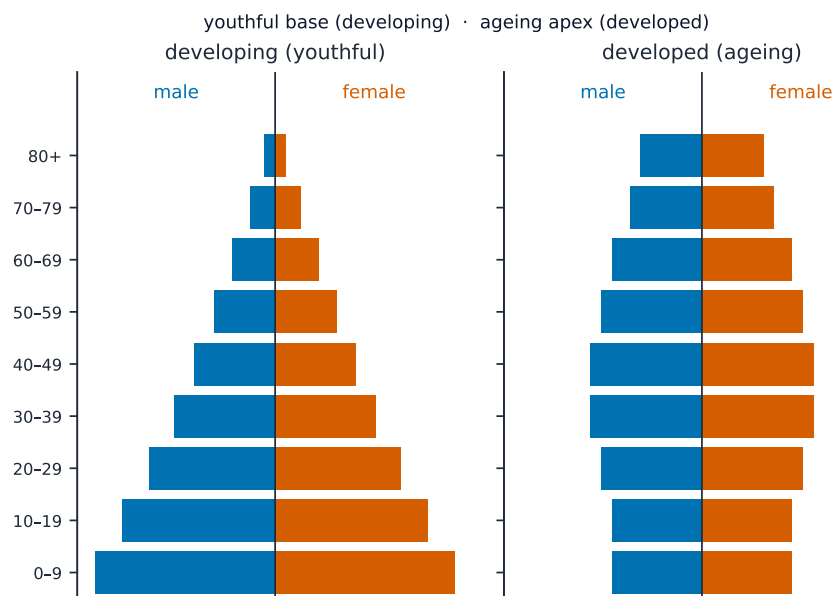
Build the skills to answer exam questions on **population** 人口 — **birth and death rates** 出生率与死亡率, **migration** 移民, **population structure** 人口结构, and an **ageing population** 人口老龄化.

You must be able to:

- explain what changes a country's population size
- read a population pyramid
- analyse the effects of an ageing population

1 Worked examples

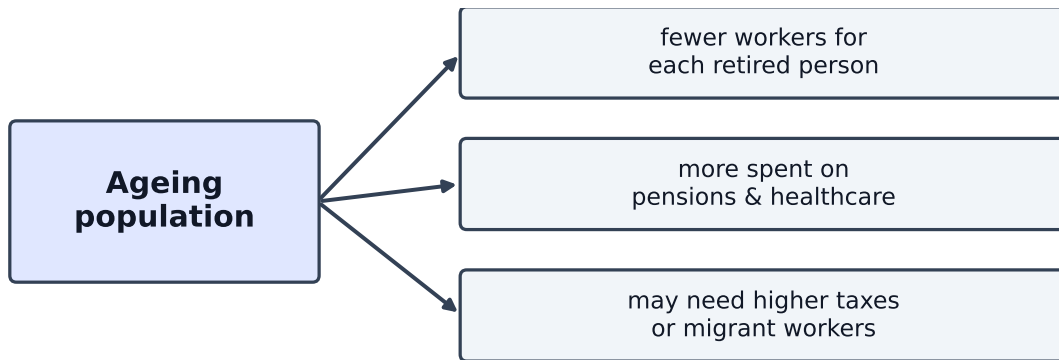
■ Population change and structure



Population grows when $\text{births} + \text{immigration} > \text{deaths} + \text{emigration}$

- **Birth rate** 出生率 / **death rate** 死亡率: births/deaths per 1000 people per year.

- **Migration** 移民: **immigration** 迁入 (in) and **emigration** 迁出 (out); **net migration** 净移民 = in – out.
- **Ageing population** 人口老龄化: people live longer and have fewer children → more retired people per worker, higher pension and healthcare costs.



Exam: ageing raises dependency ratio — pressure on pensions, healthcare, and tax base

An ageing population: the worker-to-retiree ratio falls, raising pension and healthcare costs

Answer shapes: K + App + An + Ev (a justified judgement, for discuss questions).

2 Practice

2.1 Define the term *birth rate*. [2]

2.2 State when a country's population grows. [2]

2.3 Define the term *net migration*. [2]

3 Exam-style questions

3.1 A country's population will rise if: [1]

- **A** the death rate is higher than the birth rate
 - **B** births plus immigration exceed deaths plus emigration
 - **C** emigration is higher than immigration
 - **D** the birth rate falls
-

3.2 Explain two reasons why a country might have an ageing population. [4]

3.3 Analyse the effects of an ageing population on a country's economy. [6]

Solutions

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

2.1 the number of births each year for every 1000 people in the population (2 for a clear definition; 1 for a partial idea).

2.2 when births plus immigration are greater than deaths plus emigration (2 for a clear statement; 1 for a partial idea).

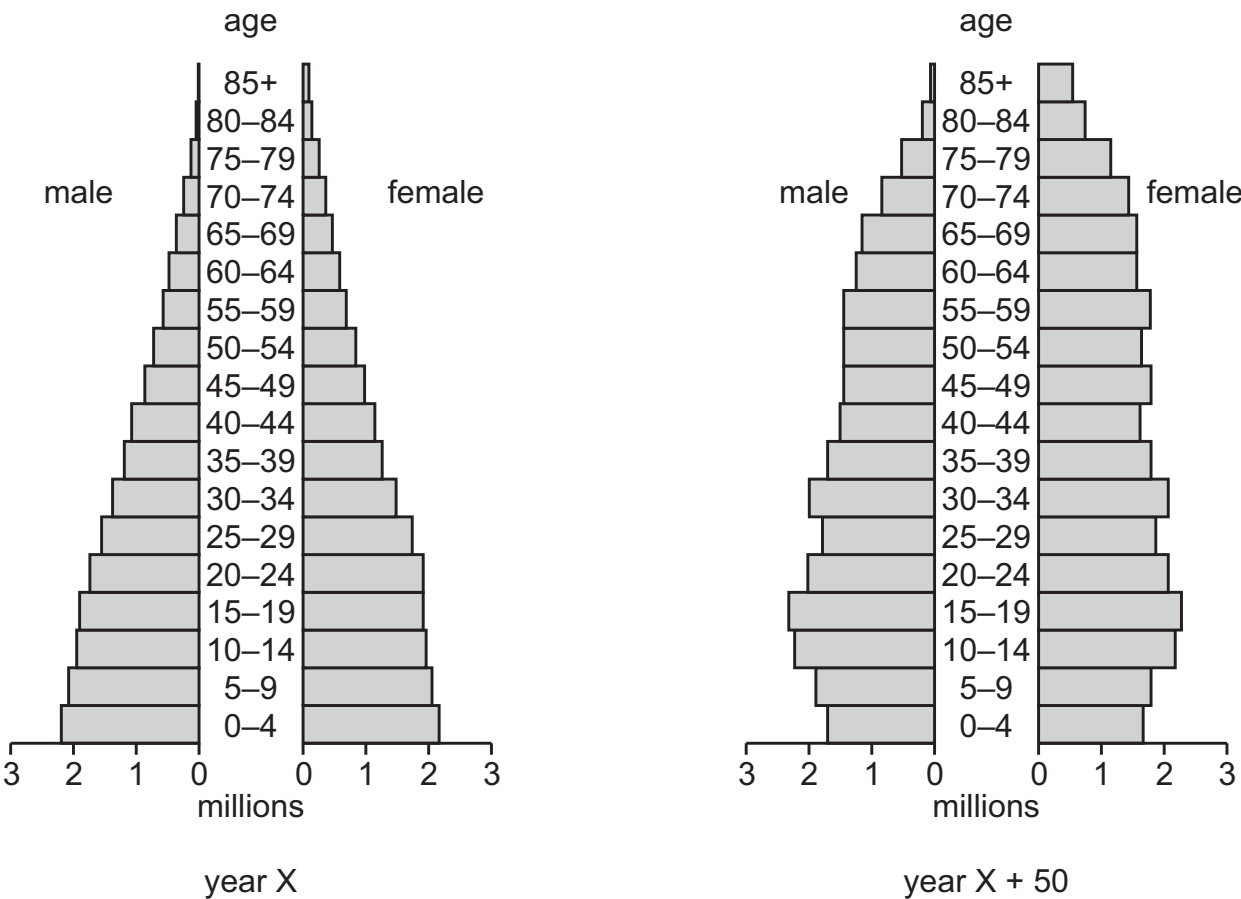
2.3 immigration minus emigration — the net number of people moving into a country (2 for a clear definition; 1 for a partial idea).

3.1 B. Population rises when births + immigration exceed deaths + emigration.

3.2 [4] For **each** of two reasons: K 1 + An 1 — *longer life expectancy*: better healthcare means people live longer → more old people; *a falling birth rate*: families have fewer children → the share of young people falls, so the population ages.

3.3 [6] K/App/An — an ageing population has more retired people and fewer workers → each worker must support more people → the government spends more on pensions and healthcare → it may need higher taxes or more immigrant workers to fill the gap → so an ageing population raises costs and can slow growth unless productivity rises.

26 The charts show the population structure of a country in year X and year X + 50.



During this period, how did birth and death rates change?

	birth rates	death rates
A	fell	fell
B	fell	no change
C	rose	fell
D	rose	no change

- 26** A country has a falling birth rate and a rising death rate, while an increasing number of its working age adults (16–60 years) are seeking employment abroad.

How is this likely to affect the numbers in the different age groups in the country?

	under 16 years	16–60 years	over 60 years
A	fall	fall	fall
B	fall	rise	rise
C	rise	fall	rise
D	rise	rise	fall

- 25** The population sizes of four countries, **A**, **B**, **C** and **D**, are all equal.

Which country is most likely to have the highest population growth, given the changes in the table?

	birth rate	death rate	net migration
A	decreasing	increasing	unchanged
B	increasing	decreasing	increasing
C	increasing	increasing	decreasing
D	unchanged	increasing	decreasing

- 5** In 2023, the Canadian Prime Minister said that his country's aim was to increase immigration to half a million a year. This was because the country was experiencing labour shortages and an increase in life expectancy. More workers in Canada would increase the tax revenue available to spend on pensions, and more workers would also increase consumer spending. An increase in the immigration of both skilled and unskilled workers might affect the country's car industry.

- (a) Identify **two** causes of an increase in life expectancy. [2]
- (b) Explain **two** ways a firm could attract skilled workers from another country. [4]
- (c) Analyse how an increase in consumer spending could increase economic growth. [6]
- (d) Discuss whether or not the wages of workers employed by car firms will increase in the future. [8]

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

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

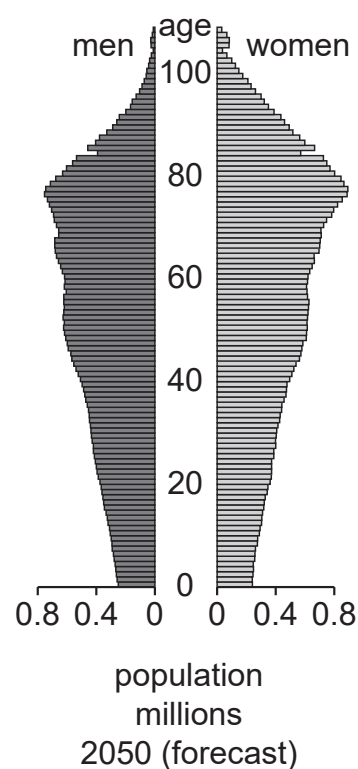
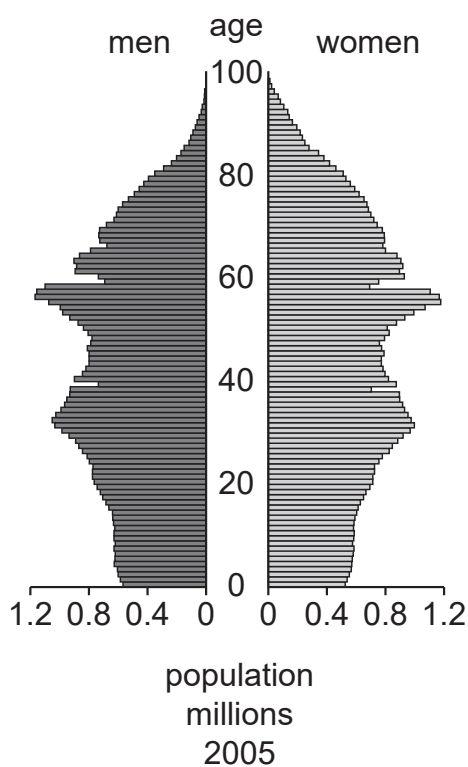
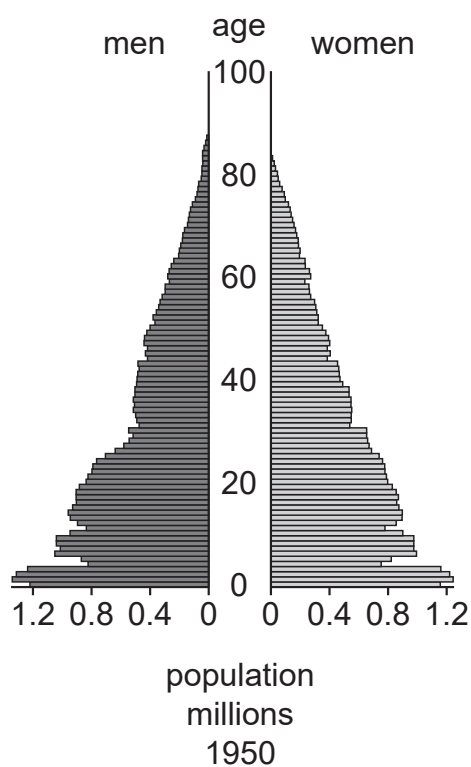
26 What will increase a country's population, all other things being equal?

- A** a rise in emigration
- B** a rise in immigration
- C** death rates higher than birth rates
- D** decreased life expectancy

4 In 2023, India became the country with the largest population. This may affect the government's macroeconomic aims. In 2018, the Indian Government cut the country's corporation (corporate income) tax rate from 35% to 25%. Between 2019 and 2022, India's inflation rate averaged 6%. Some economists suggested that to achieve its central inflation rate target, the government should cut its spending.

- (a)** Identify **two** macroeconomic aims of government that may conflict. [2]
- (b)** Explain **two** reasons why a country may have a high population growth rate. [4]
- (c)** Analyse how a cut in the corporation (corporate income) tax rate can increase economic growth. [6]
- (d)** Discuss whether or not a decrease in government spending will reduce inflation. [8]

26 The diagram shows population data for a country for 1950, 2005 and 2050.



What can be concluded from the diagram?

- A** Men outnumber women in each year.
- B** People are living longer over the period.
- C** The population has grown continuously.
- D** The workforce has grown continuously.

25 The table contains details on birth rate, death rate and net migration for several countries in a year.

	birth rate	death rate	net migration
Australia	13	7	850 000
Brazil	14	6	30 000
Nigeria	39	12	−300 000
US	12	8	4 500 000

What can be concluded from the table?

- A** Only one country, Nigeria, had a decreasing population.
- B** The country with the lowest birth rate had the lowest death rate.
- C** The country with the lowest death rate had the highest birth rate.
- D** The country with the lowest natural rate of increase in population was the US.

5.4 Differences in economic development between countries

Name: _____ Class: _____ Date: _____

Total: 19 marks

KEY WORDS economic development 经济发展 • productivity 生产率

• developing countries 发展中国家 • trade 贸易 • developed and developing 发达与发展中

Objective

Build the skills to answer exam questions on **differences in economic development between countries** 国家间经济发展的差异 — what **economic development** 经济发展 means, why **developed and developing** 发达与发展中 countries differ, and how they are linked.

You must be able to:

- distinguish economic development from economic growth
- explain why countries differ in development
- analyse how developed and developing countries are linked

1 Worked examples

■ Developed and developing countries

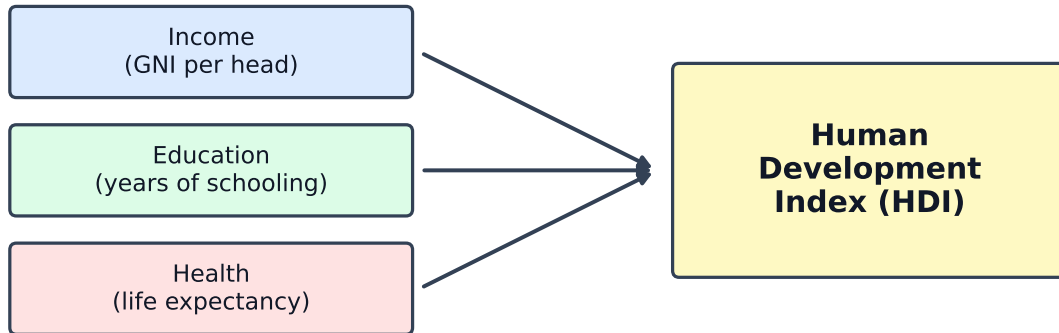


Development is about well-being, not just output

- **Economic development** 经济发展: a rise in people's well-being (health, educa-

tion, income), not just more output.

- **Why countries differ:** income, **productivity** 生产率 (developing often do **subsistence farming** 自给农业), population, education and health, **debt** 债务, trade.
- **Linked:** developing countries sell raw materials and buy machines; trade, aid and investment can help — but cause dependency.



Exam: HDI = income + education + health — broader than GDP alone for living standards

The HDI puts a number on the development gap — income, health and education compared across countries

Answer shapes: K + App + An + Ev (a justified judgement, for discuss questions).

2 Practice

2.1 State the difference between economic growth and economic development. [2]

2.2 Identify two ways a developed country differs from a developing country. [2]

2.3 Define the term *subsistence farming*. [2]

3 Exam-style questions

3.1 Compared with a developed country, a developing country usually has: [1]

- **A** higher income per head
 - **B** higher productivity
 - **C** a higher birth rate
 - **D** more capital per worker
-

3.2 Explain two reasons why developing countries have lower incomes than developed countries. [4]

3.3 Discuss whether trade with developed countries always helps a developing country. [8]

Solutions

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

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 (2 for a clear difference; 1 for a partial idea).

2.2 any two contrasts of: income per head (high vs low); productivity (high vs low); birth rate (low vs high); capital per worker (more vs less) (1 + 1).

2.3 growing food only for one's own family, with little or none to sell (2 for a clear definition; 1 for a partial idea).

3.1 C. Developing countries usually have a higher birth rate.

3.2 [4] For **each** of two reasons: K 1 + An 1 — *low productivity*: less capital and skill, and much subsistence farming, so each worker produces little → low incomes; *debt*: large debt repayments leave less for schools and hospitals → development and incomes stay low.

3.3 [8] K/App/An up to 5 + Ev up to 3. **Helps**: trade brings income, lets a country specialise, and gives access to machines and technology it cannot make itself. **Harm**: developing countries may rely on a few low-value primary exports with unstable prices, while importing high-value goods, and can become dependent. **Judgement (Ev)**: trade can aid development, but mainly if the country can move into higher-value goods and is not left dependent on volatile primary exports — so it depends on what it trades and on fair terms.

26 Which combination of characteristics would be found in a less developed economy?

	literacy rates	population growth	tertiary sector
A	high	high	small
B	low	high	small
C	high	low	large
D	low	low	large

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.

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

5 Australia has a number of firms that operate in other countries. These multinational companies (MNCs) provide several benefits for their home country of Australia. The Australian Government imposes relatively low import tariffs and the country has a floating exchange rate. In recent years, Australia has experienced an increase in investment and a higher Human Development Index (HDI) value.

- (a)** Identify **two** benefits an MNC may provide for its home country. [2]
- (b)** Explain **two** disadvantages of import tariffs. [4]
- (c)** Analyse how an increase in investment can result in a rise in a country's HDI value. [6]
- (d)** Discuss whether or not having a floating exchange rate benefits an economy. [8]

24 The table shows the Human Development Index (HDI) values for two countries.

country	HDI value
X	0.90
Y	0.45

What might explain the difference in the HDI values?

- A** Country X has double the inflation rate of country Y.
- B** Country X has half the population of country Y.
- C** Country X spends more of its real GDP on foreign aid than country Y.
- D** Country X spends more of its real GDP on schooling than country Y.

26 Which combination best describes the characteristics of a high-income economy?

	GDP per head (US\$)	Human Development Index value	percentage of the labour force in the tertiary sector
A	high	high	high
B	high	high	low
C	low	low	high
D	low	low	low

26 The table shows information on four countries.

Which country is likely to be the most developed?

	population (million)	Gross Domestic Product (GDP) (\$ billion)	life expectancy (years)
A	100	800	51
B	200	6000	62
C	300	600	48
D	1000	1600	63