11 The table shows the proportion of disposable income spent on three different goods by four different households.

Which household is likely to have the lowest income?

	food %	transport %	holidays %
A	50	15	5
B	35	18	10
C	30	20	15
D	20	25	20

28 An economy raises its tariffs on imported goods.

What is the most likely result?

A a fall in the rate of inflation

B an increase in consumer choice

C an increase in domestic production

D the current account of the balance of payments moves into a deficit

IGCSE Economics: **s25 11**

19 Monetary policy often involves a change in which variables?

A government expenditure or taxes

B interest rates or the money supply

C labour market or trade union laws

D tariffs or quotas

20 Which supply-side policy measure is most likely to enable a government to achieve its aim of full employment?

A decreasing government spending on school buildings

B decreasing the number of teachers in schools

C increasing taxation on private school fees

D increasing the provision of enterprise skills in schools

17 Many central banks around the world decreased interest rates during a recession caused by a pandemic.

What was the most likely macroeconomic aim of this policy?

A economic growth

B increase in the current account surplus

C low inflation

D redistribution of income

19 What is **not** a likely consequence of a rise in the budget deficit in a year?

A a rise in government borrowing

B a rise in the level of exports

C a rise in the national debt

D a rise in the rate of inflation

22 A government conducted a labour force survey. It only included people of working age in the survey. The results are shown in the table.

	number of people
of working age	10 000 000
employed	7 000 000
unemployed	1 000 000
not seeking work	2 000 000

Which percentage of working-age people are in the labour force?

A 30% **B** 70% **C** 80% **D** 90%

26 Japan's population has an increasing proportion of elderly people.

What is the likely impact of this on the Japanese economy?

A increased government budget deficit

B increased rate of economic growth

C increased rate of emigration

D increased use of labour-intensive methods of production

23 Country X measures unemployment by counting the number of people claiming unemployment benefit.

Why might this method underestimate the level of unemployment?

A Some benefit claimants are working unofficially.

B Some employees work overtime.

C Some jobseekers do not claim benefits.

D Some people are unable to work.

24 What is likely to cause deflation?

A higher employment

B higher production costs

C increased money supply

D technological advances