PEARSON EDEXCEL IAL ECONOMICS · YEC11

ECONOMICS



EXAM QUESTION PACK

UNIT 4: POVERTY AND INEQUALITY

SCORE	PERCENTAGE
/93	%

STEMUP

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Q1.

Study Figure 1 and Extract A in the Source Booklet before answering this question.

With reference to Figure 1, analyse the likely effect on inequality of the change in the global Gini coefficient from 2000 to 2014. Illustrate your answer with a Lorenz curve diagram.

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(Total for question = 6 marks)

Q2.

Study Figure 1 and Extract A in the Source Booklet before answering this question.

With reference to the second paragraph of Extract A, calculate the share of global wealth of high-income advanced countries and middle-income developing countries in 2000. You are advised to show your working.

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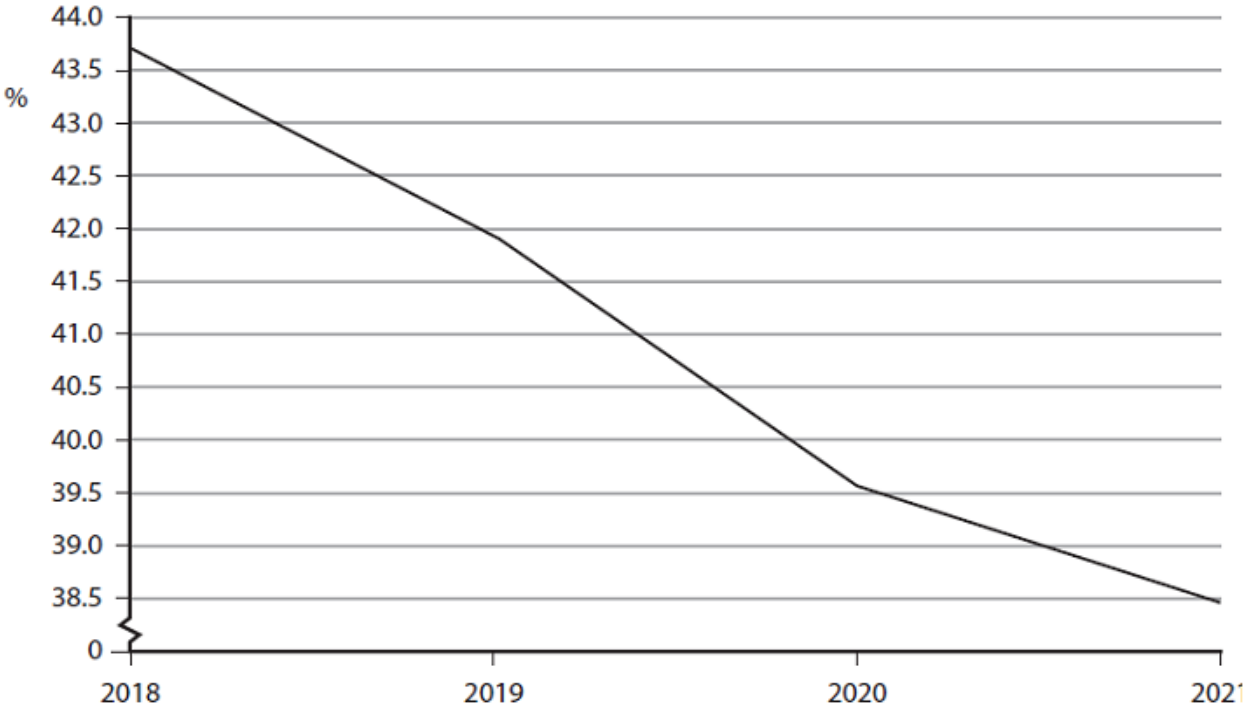
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(Total for question = 2 marks)

Q3.

Answer the question with a cross in the box you think is correct ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

The chart shows the Dominican Republic's Gini coefficient, expressed as a percentage, between 2018 and 2021.



Which **one** of the following can be deduced from this chart?

☒ **A** Between 2018 and 2021 the Lorenz curve shifted closer to the line of perfect equality

☒ **B** Between 2018 and 2019 the distribution of income became more unequal

☒ **C** Between 2019 and 2020 there was perfect income inequality

☒ **D** Between 2020 and 2021 income inequality increased by approximately 1.1%

(Total for question = 1 mark)

Q4.

Between 2007 and 2022 income inequality increased in both Sweden and the USA.

Evaluate possible causes of an increase in income inequality within a developed country of your choice.

(Total for question = 20 marks)

Q5.

Between 2003 and 2019, income inequality, as measured by the Gini coefficient, increased from 0.25 to 0.29 in Sweden and from 0.32 to 0.37 in Indonesia.

Evaluate possible causes of an increase in income inequality within a country of your choice.

(Total for question = 20 marks)

Q6.

Study Figure 1 and Extract A in the Source Booklet before answering this question.

With reference to Extract A, examine **two** causes of income inequality *within* advanced economies.

(Total for question = 8 marks)

Q7.

Study Figures 1 and 2 and Extracts A and B in the Source Booklet before answering this question.

In 2018, the EU's rate of inflation was 1.6%.

Explain what is meant by 'quantitative easing' (Extract A, lines 8–9).

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(Total for question = 4 marks)

Q8.

Study Figure 1 and Extract A in the Source Booklet before answering this question.

Explain what is meant by 'relative poverty' (Extract A, line 12).

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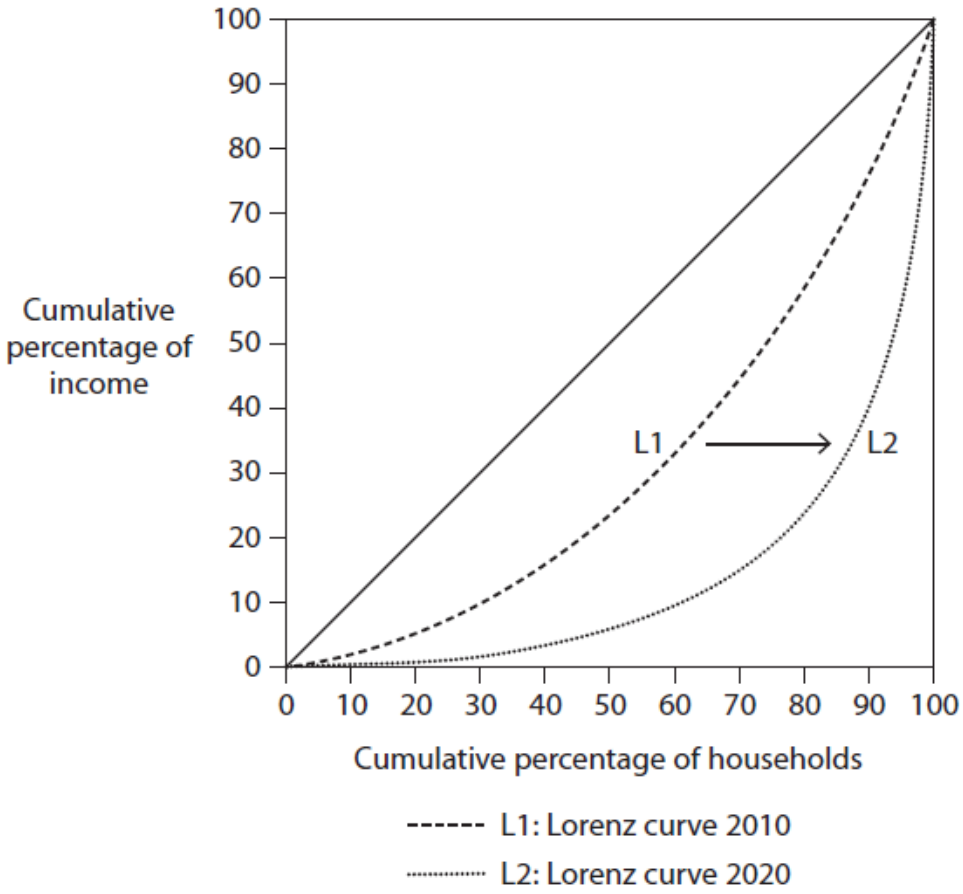
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(Total for question = 4 marks)

Q9.

Answer the question with a cross in the box you think is correct ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

The diagram illustrates the Lorenz curves for an economy in 2010 and 2020.



Which **one** of the following is most likely to have caused the shift in the Lorenz curve from L1 to L2?

☒ **A** A decrease in public expenditure on transfer payments

☒ **B** A decrease in the rate of unemployment

☒ **C** An increase in the national minimum wage

☒ **D** An increase in spending on training for unskilled workers

(Total for question = 1 mark)

Q10.

Answer the question with a cross in the box you think is correct ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

According to the Global Competitiveness Index, Finland's international competitiveness rank fell six places between 2015 and 2018.

Which **one** of the following measures is most likely to increase Finland's international competitiveness?

☒ **A** A reduction in spending on infrastructure

☒ **B** Stricter regulation of labour markets

☒ **C** Improvements in education and training

☒ **D** More restrictions on free trade

(Total for question = 1 mark)

Q11.

Study Figure 1 and Extract A in the Source Booklet before answering this question.

With reference to the fourth paragraph of Extract A, explain what is meant by 'The Gini coefficient'.

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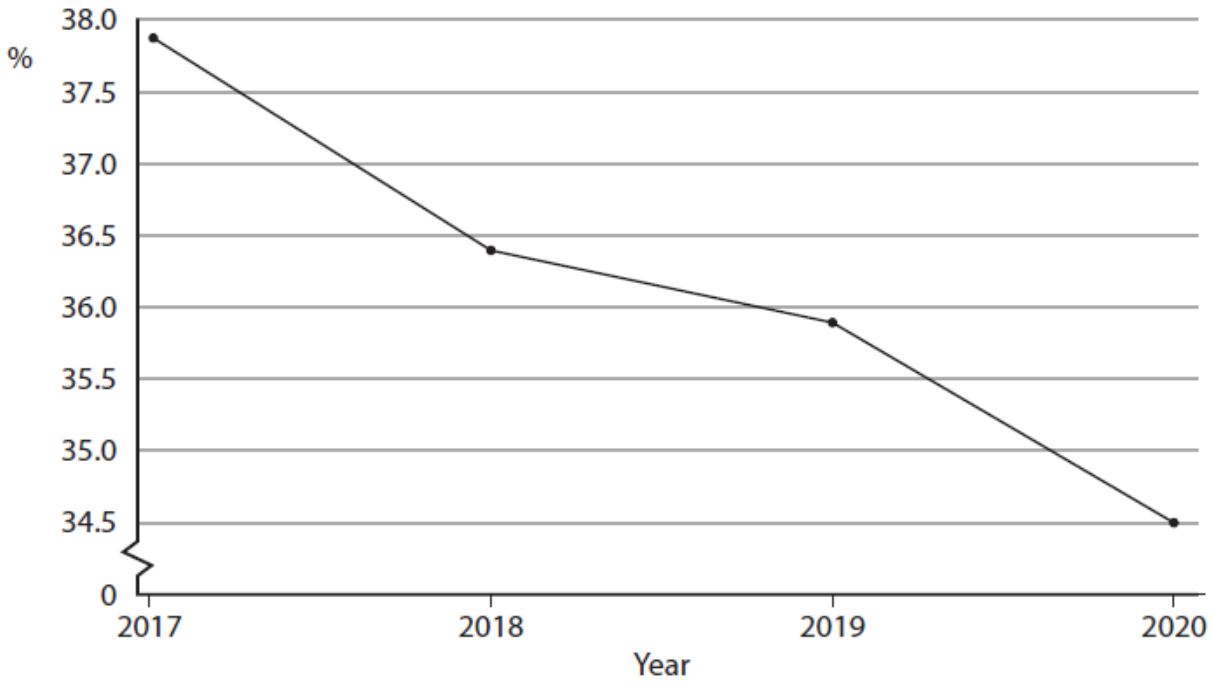
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(Total for question = 4 marks)

Q12.

Answer the question with a cross in the box you think is correct ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

The chart shows Georgia's Gini coefficient, expressed as a percentage, between 2017 and 2020.



Which **one** of the following can be deduced from this chart?

☒ **A** The distribution of income became more unequal

☒ **B** Georgia experienced perfect income equality

☒ **C** Income inequality increased by 3.4%

☒ **D** Georgia's Lorenz curve shifted closer to the line of perfect equality

(Total for question = 1 mark)

Q13.

Between 2004 and 2020, income inequality, as measured by the Gini coefficient, increased from 0.25 to 0.28 in Denmark and from 0.26 to 0.29 in Sweden.

Evaluate government policies, **apart from** changes in income tax rates, that could be used to reduce income inequality in a developed country of your choice.

(Total for question = 20 marks)

Q14.

Answer the question with a cross in the box you think is correct ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

Between 2018 and 2019 the Lorenz curve of Peru shifted closer to the line of perfect equality.

Which **one** of the following can be inferred from this information?

☒ **A** The Gini coefficient for Peru had decreased

☒ **B** The Marshall-Lerner condition was not met

☒ **C** The rate of unemployment in Peru had increased

☒ **D** The Government of Peru had decreased progressive tax rates

(Total for question = 1 mark)