

- 2 The table shows the consumer price index (CPI) for the UK in January 2015 and January 2016.

	Consumer price index
January 2015	200
January 2016	206

(Source: <https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/d7g7/mm23>)

What can be deduced from this data over this period?

- A The purchasing power of money fell by 3%
- B The rate of inflation was 6%
- C The standard of living must have fallen by 3%
- D The price of exports increased by 6%

(Total for Question 2 = 1 mark)

- 5 In Japan, private sector investment increased by 1.9% in the second quarter of 2019.

Which **one** of the following was the most likely cause of this increase in investment?

- A A decrease in the rate of economic growth
- B An increase in indirect taxation
- C An increase in the tax on company profits
- D A decrease in interest rates

(Total for Question 5 = 1 mark)

- 3 In 2024, Germany experienced an economic downturn caused by a fall in aggregate demand (AD).

Which **one** of the following would have contributed to this fall in AD?

- A An increase in business confidence
- B An increase in house prices
- C An increase in net exports
- D An increase in interest rates

(Total for Question 3 = 1 mark)

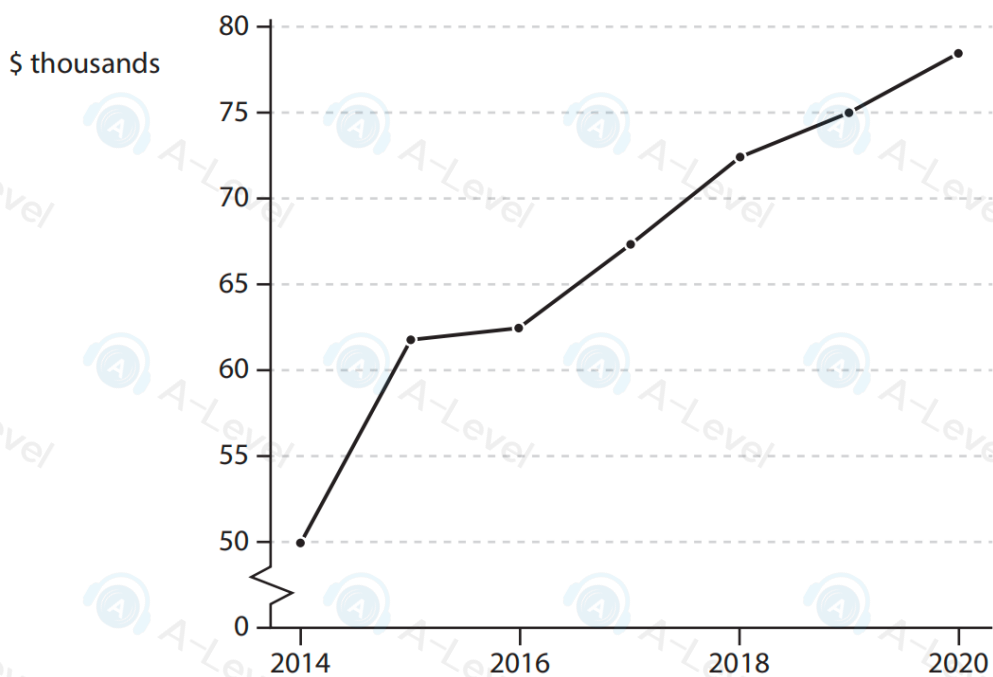
- 1 Mongolia experiences higher unemployment in the winter when the demand for agricultural labour is lower than in the summer months.

Which **one** of the following best describes the cause of unemployment experienced in Mongolia?

- A Seasonal unemployment
- B Real wage inflexibility
- C Structural unemployment
- D Demand deficiency

(Total for Question 1 = 1 mark)

- 4 The chart shows Ireland's real GDP per capita, 2014–2020.



(Source adapted from: <https://data.worldbank.org/>)

Which **one** of the following is the most likely effect of this change in real GDP per capita?

- A An increase in the standard of living
- B An increase in the rate of unemployment
- C A decrease in consumer confidence
- D A decrease in the purchasing power of consumers

(Total for Question 4 = 1 mark)

6 The table shows Mexico's consumer confidence index (CCI), April 2021 to April 2023.

Year	CCI
April 2021	101.5
April 2022	102.8
April 2023	103.4

The CCI is a measure of consumers' willingness to spend.

With reference to the above table, which **one** of the following is most likely to result from this change in consumer confidence between April 2021 and April 2023?

	Price level	Real output
<input type="checkbox"/> A	Fall	Fall
<input type="checkbox"/> B	Fall	Rise
<input type="checkbox"/> C	Rise	Fall
<input type="checkbox"/> D	Rise	Rise

(Total for Question 6 = 1 mark)

2 In June 2020 the Bank of England increased the value of its asset purchases scheme (quantitative easing) by £100 billion.

Which **one** of the following correctly describes this economic policy?

- A Reflationary monetary policy
- B Deflationary monetary policy
- C Reflationary fiscal policy
- D Deflationary fiscal policy

(Total for Question 2 = 1 mark)

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6 The table shows Ireland's Gross National Income (GNI) between 2019 and 2021.

Year	GNI (\$ billion)
2019	309.77
2020	324.08
2021	372.09

If 2019 is the base year, which **one** of the following represents the index number for 2021?

- A 100.0
- B 104.6
- C 114.8
- D 120.1

(Total for Question 6 = 1 mark)

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3 Between January 2020 and April 2020 the rate of unemployment in the USA increased from 3.5% to 14.8%. This was as a result of the recession caused by the global health crisis.

Which **one** of the following best describes the cause of unemployment experienced in the USA?

- A Seasonal
- B Structural
- C Demand deficient
- D Frictional

(Total for Question 3 = 1 mark)

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1 Which **one** of the following is a withdrawal from the circular flow of income?

- A Investment
- B Consumption
- C Savings
- D Exports

(Total for Question 1 = 1 mark)

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- 6 The table shows the annual percentage change in the real GDP of Canada between 2017 and 2019. The long-term trend rate of economic growth for the economy is estimated to be 2.7%.

Year	Change in real GDP (annual %)
2017	3.2
2018	2.0
2019	1.7

(Source: <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?end=2019&locations=CA&start=2017>)

Which **one** of the following can be deduced from the table?

- A The positive output gap increased between 2017 and 2018
- B There was a negative output gap in 2018 and 2019
- C There was a positive output gap in 2018 and 2019
- D The negative output gap decreased between 2018 and 2019

(Total for Question 6 = 1 mark)

- 5 The ILO unemployment rate in Spain fell from 21% in 2014 to less than 15% in 2018.

Which **one** of the following is most likely to be associated with this change in Spain's unemployment rate?

- A A fall in the negative output gap
- B A rise in the level of welfare payments
- C A fall in demand for exports
- D A rise in economic inactivity

(Total for Question 5 = 1 mark)

- 4 Between 2010 and 2016 Indonesia recorded a 44.4% fall in the value of its exports. This resulted from a decrease in the demand for Indonesian clothing.

*Ceteris paribus*, which **one** of the following is likely to result from this situation?

	Rate of unemployment	Rate of inflation
<input type="checkbox"/> A	Falling	Rising
<input type="checkbox"/> B	Falling	Falling
<input type="checkbox"/> C	Rising	Rising
<input type="checkbox"/> D	Rising	Falling

(Total for Question 4 = 1 mark)

- 5 Between Q1 2020 and Q4 2020 the savings ratio in the Netherlands increased from 15.3% to 24.3%.

*Ceteris paribus*, which **one** of the following is the most likely effect of this increase in the savings ratio?

- A A decrease in withdrawals from the circular flow of income
- B An increase in injections into the circular flow of income
- C A decrease in consumption
- D An increase in imports

(Total for Question 5 = 1 mark)

- 2 Between July 2021 and December 2021, the rate of inflation in Rwanda was negative.

Which **one** of the following is most likely to account for this decrease in the average price level in Rwanda?

- A A decrease in the savings ratio
- B A decrease in the costs of raw materials
- C An increase in the level of welfare payments
- D An increase in the availability of credit

(Total for Question 2 = 1 mark)

4 Which **one** of the following would cause a leftward shift in a country's short-run aggregate supply (SRAS) curve?

- A A decrease in bank lending to consumers
- B A decrease in the rate of indirect tax
- C An increase in the price of natural gas
- D An increase in investment in healthcare

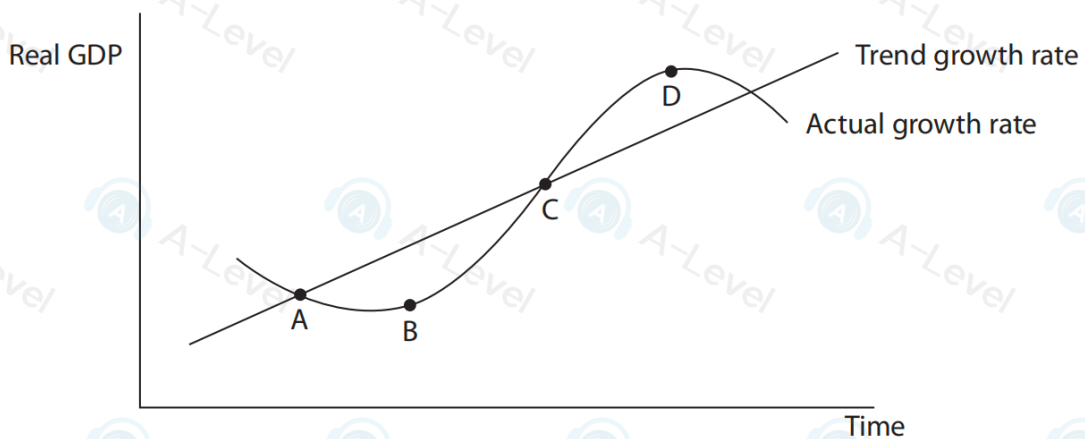
(Total for Question 4 = 1 mark)

3 Which **one** of the following is most likely to cause a deterioration in a developed country's trade balance?

- A An increase in the non-price competitiveness of the country's products
- B A fall in the real incomes of the country's citizens
- C A fall in the non-price competitiveness of a major trading partner's products
- D An increase in the country's exchange rate against other currencies

(Total for Question 3 = 1 mark)

4 The diagram shows a country's trend growth rate and its actual growth rate.



Which **one** of the following can be deduced from the diagram?

- A The rate of economic growth is increasing between points A and B
- B There is a negative output gap at point B
- C There is a positive output gap at point C
- D The level of unemployment is increasing between points C and D

(Total for Question 4 = 1 mark)

14 Between 2012 and 2022 the productivity rate in Turkey increased by 39.2%.

Evaluate the likely benefits of an increase in the productivity rate.

Refer to a country of your choice in your answer.

(Total for Question 14 = 20 marks)