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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3 In Indonesia it is estimated that approximately 27% of part-time workers are employed for fewer hours than they would be willing to work.

Which **one** of the following may be deduced from this information?

☒ **A** There is a high level of underemployment in Indonesia

☒ **B** There is a high level of economic inactivity in Indonesia

☒ **C** There is a high rate of unemployment in Indonesia

☒ **D** There is a high rate of inflation in Indonesia

(Total for Question 3 = 1 mark)

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4 In the USA the number of part-time workers who would prefer full-time employment was 4.3 million in 2019.

This is an example of which **one** of the following?

☒ **A** Frictional unemployment

☒ **B** Protectionism

☒ **C** Underemployment

☒ **D** Resource utilisation

(Total for Question 4 = 1 mark)

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5 The unemployment rate in Sri Lanka increased from 5.2% in 2021 to 6.7% in 2022.

Which **one** of the following is the most likely effect of this increase in the unemployment rate?

☒ **A** An increase in national happiness in Sri Lanka

☒ **B** An increase in the level of profits for firms in Sri Lanka

☒ **C** A decrease in tax revenues for Sri Lanka's Government

☒ **D** A decrease in welfare payments by Sri Lanka's Government

(Total for Question 5 = 1 mark)

5 Which **one** of the following describes how unemployment is measured using the International Labour Organization (ILO) definition?

☒ **A** When a person has been actively seeking work in the past four weeks and is available to start work in the next two weeks

☒ **B** When a person has been actively seeking work in the past four months and is available to start work in the next two months

☒ **C** When a person has been actively seeking work in the past two months and is available to start work in the next four months

☒ **D** When a person has been actively seeking work in the past two weeks and is available to start work in the next four weeks

(Total for Question 5 = 1 mark)

1 The table shows the real GDP growth rate and the unemployment rate for the USA for Quarter 1 and Quarter 2 in 2020.

	Real GDP growth rate (%)	Unemployment rate (%)
Q1 2020	−5.0	3.9
Q2 2020	−31.4	13.1

Which **one** of the following is most likely to have caused the **increase** in the unemployment rate between Q1 2020 and Q2 2020?

☒ **A** Real wage unemployment

☒ **B** Demand deficient unemployment

☒ **C** Structural unemployment

☒ **D** Seasonal unemployment

(Total for Question 1 = 1 mark)

10 The chart shows the annual percentage increase in house prices in Turkey between October 2019 and October 2020.

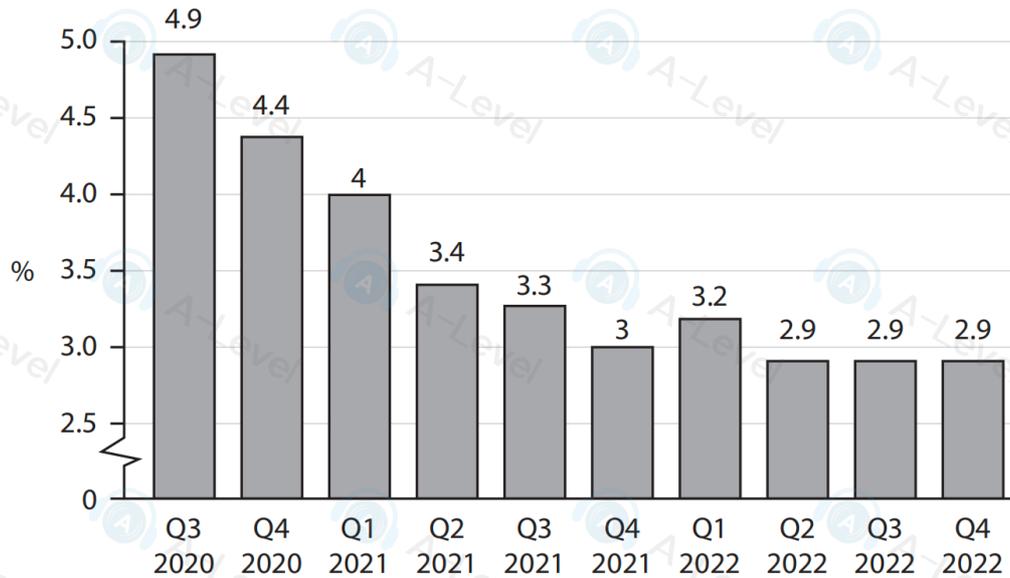(Source: https://www.ceicdata.com/en/indicator/turkey/house-prices-growth)
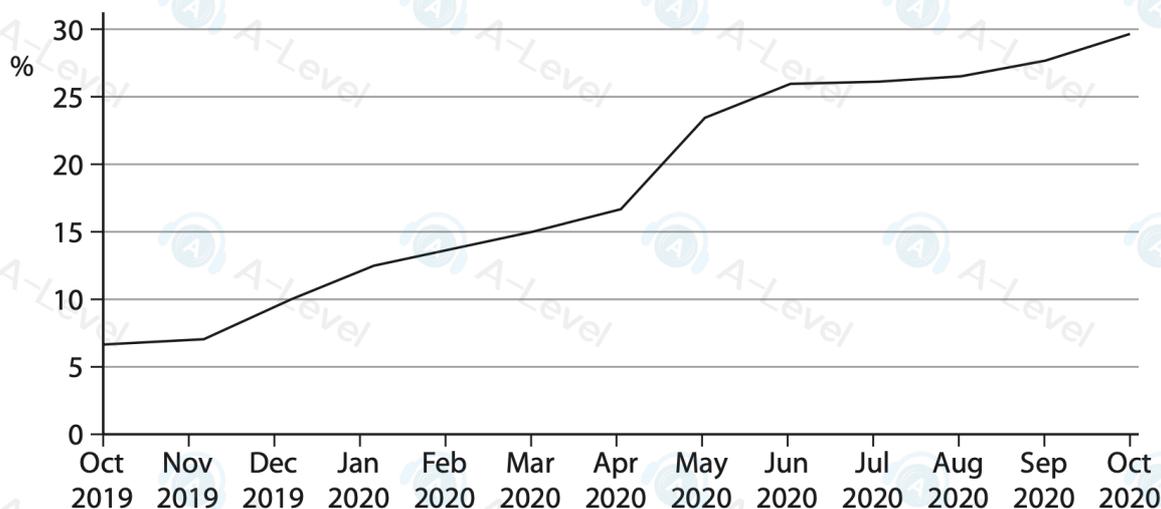
With reference to the chart, explain **one** likely macroeconomic impact of an increase in house prices on existing homeowners.

11 In 2022 average house prices increased by 6% in India. For example:

- in the city of Bengaluru, average house prices increased by 9%

- in the city of Ahmedabad, average house prices increased by 3%.

With reference to the data, explain what is meant by the 'wealth effect'.

10 The chart shows the rate of unemployment in Malta between quarter 3 (Q3) 2020 and quarter 4 (Q4) 2022.

With reference to the chart, explain **one** possible effect of the change in the rate of unemployment between Q3 2020 and Q4 2022 on the public finances of Malta.

10 In September 2020 the average house price in the UK was £258 155. By September 2021 the average house price had risen by 11.5%.

With reference to this information, explain **one** likely macroeconomic impact of an increase in house prices on existing homeowners.

7 Between 2018 and 2021 the annual rate of unemployment in Pakistan increased from 4.1% to 6.5%.

Explain **one** possible effect of the increase in the rate of unemployment on the public finances of Pakistan.

13 India's unemployment rate increased from 7.1% in January 2023 to 8.5% in June 2023.

Evaluate the likely effects of an increase in the unemployment rate on workers **and** public finances. Refer to a country of your choice in your answer.

(Total for Question 13 = 20 marks)

OR

14 In quarter 1 2019 the unemployment rate in South Africa was 27.6%. In quarter 2 it increased to 29%. An additional 455 000 workers became unemployed.

Evaluate the likely impact of an increase in the unemployment rate on workers, public finances and resource utilisation.

(Total for Question 14 = 20 marks)