

2.1 Microeconomics & Macroeconomics

Question Paper

Course	CIE IGCSE Economics
Section	2. The Allocation of Resources
Topic	2.1 Microeconomics & Macroeconomics
Difficulty	Medium

Time allowed: 10
Score: /2
Percentage: /100

Question 1

Changes in tobacco production and consumption can have both microeconomic and macroeconomic effects. Tobacco plants are grown in at least 124 countries with different levels of development. A higher proportion of the poor than of the rich consume tobacco products. The market for cigarettes, produced using tobacco, is changing. Demand for cigarettes and some other demerit goods is declining in a number of countries.

Define *microeconomics*.

[2 marks]