4.7 Employment & Unemployment

Question Paper

Course	CIE IGCSE Economics
Section	4. Government & the Macroeconomy
Topic	4.7 Employment & Unemployment
Difficulty	Medium

Time allowed: 110

Score: /85

Percentage: /100

Question 1

Calculate the number of people unemployed in Kenya in 2015.

Refer to the **source material** in your answers

[1 mark]

Question 2a

a)

Analyse, using Table 1.1, the relationship between educational spending and the unemployment rate.

Refer to the source material in your answers.

[5 marks]

Question 2b

b)

Discuss whether or not a rise in unemployment is harmful.

Refer to the source material in your answers

[6 marks]

Question 3

There was a global surplus of steel in 2017. In mid-2017, the US government considered imposing tariffs on steel imports to protect its declining steel industry. Cheap imports from other countries were reducing employment in the US steel industry. The pattern of US employment was also being affected by improvements in education

Analyse how improvements in education can affect the pattern of employment

[6 marks]

Question 4

Moldova is Europe's poorest economy with many of its people living in poverty. It is mainly an agricultural economy with many small farms. Its shops are also small. The government has used a range of policies, including supply-side policy, to improve the economy's performance. It has mostly been successful. For instance, unemployment has fallen

Discuss whether or not firms will benefit from a fall in unemployment

[8 marks]

Question 5

Explain how an increase in the mobility of Philippine workers would be likely to affect unemployment in the Philippines.

Refer to the source material in your answers.

[4 marks]

Question 6

Calculate, using information from the extract, the total number of workers in New York.

Refer to the source material in your answers.

[2 marks]

Question 7

Between 2007 and 2017, the average wage in China tripled, while it fell in Brazil. The rise in average wage in China was particularly high in the tertiary sector. Farm workers experienced a smaller rise. In June 2017, unemployment in China was only 4% while it was 13.5% in Brazil. Despite the lower unemployment, China's inflation rate was lower than that of Brazil.

Discuss whether or not a country with high wage rates will have a high unemployment rate.

[8 marks]

Question 8

Discuss whether or not a government paying higher state benefits to the unemployed will reduce unemployment.

Refer to the source material in your answers.

[6 marks]

Question 9

Analyse, using Fig. 1.1, the relationship between changes in the economic growth rate and the unemployment rate over the period shown.

Refer to the source material in your answers.

[5 marks]

Question 10

Germany's economy is one of the best-performing economies in the European Union (EU). Germany has low unemployment rates and a surplus on the current account of the balance of payments. Single parents, long-term unemployed, immigrants, elderly, and low-skilled workers have not always benefitted from Germany's economic performance. This has created increasing levels of relative poverty.

Explain **two** possible causes of low unemployment.

[4 marks]

Question 11

Calculate, using information from the extract, the percentage of India's labour force that was employed in the vehicle industry in 2016.

Refer to the source material in your answers.

[2 marks]

Question 12

During a recent recession in Europe, Spain had an unemployment rate of over 25%. This led to high levels of emigration from Spain into higher-wage European economies such as Germany and the UK. This has created both opportunities and problems in countries where immigration was higher than emigration.

Define *unemployment.*

[2 marks]

Question 13

During a recent recession in Europe, Spain had an unemployment rate of over 25%. This led to high levels of emigration from Spain into higher-wage European economies such as Germany and the UK. This has created both opportunities and problems in countries where immigration was higher than emigration.

Analyse how a recession in one country could cause unemployment in another country.

[6 marks]

Question 14

In 2016, the Indonesian government increased its spending on healthcare and education and considered raising the school leaving age. The government also planned to increase taxation. Such a move might conflict with its aim of reducing unemployment at a time when a number of countries were at risk of entering a recession.

Explain two benefits to a government from a fall in unemployment.

[4 marks]

Question 15

Explain, using information from the extract, one reason why a relatively poor country may have a low unemployment rate.

Refer to the source material in your answers.

[4 marks]

Question 16

In 2016, the trade union representing doctors in the UK was involved in collective bargaining with the government over proposed changes to doctors' contracts. The trade union considered that the aim of the changes was to reduce the cost to the government of providing healthcare. It may also result in fewer individuals training to become doctors in the future.

Analyse the impact of a reduction in government expenditure on healthcare on a country's unemployment rate.

[6 marks]

Question 17

In 2016, there were fears that the Singaporean economy could enter a recession because of falling demand from China, its biggest export market. One of the results of a recession is likely to be a fall in consumer spending. A previous recession in 2008 had led to unemployment increasing from 1.6% to 3.4%. Singapore's central bank therefore decided to intervene in the foreign exchange market to influence the value of the currency.

Analyse the consequences of rising unemployment on a government's spending and tax revenue

[6 marks]