

5.2 Poverty

Question Paper

Course	CIEIGCSE Economics
Section	5. Economic Development
Topic	5.2 Poverty
Difficulty	Medium

Time allowed: 20
Score: /9
Percentage: /100

Question 1

In countries with absolute poverty, low incomes can start a process that keeps incomes low.

What are the stages of this process?

- A. low incomes → low consumption → low prices → low output → low incomes
- B. low incomes → low government spending → high taxation → low employment → low incomes
- C. low incomes → low investment → high profits → low dividends → low incomes
- D. low incomes → low saving → low investment → low productivity → low incomes

[1 mark]

Question 2

A low-income country experiences extreme poverty in its rural areas.

What is a possible cause of this?

- A. development of better irrigation techniques
- B. distribution of international food aid
- C. high trade barriers imposed by high-income countries
- D. higher prices for agricultural produce

[1 mark]

Question 3

The table shows the percentage share of GDP held by the richest 20% and poorest 20% of the population in each country.

Which country had the greatest extremes of income and poverty?

	country	richest 20%	poorest 20%
A	Ghana	41.7%	8.4%
B	Nigeria	55.7%	4.4%
C	Senegal	48.2%	6.4%
D	South Africa	64.8%	2.9%

[1 mark]

Question 4

Which policy is **most** likely to reduce relative poverty?

- A. make income tax rates less progressive
- B. reduce benefit payments
- C. reduce the minimum wage
- D. reduce the rate of sales tax

[1 mark]

Question 5

Developing countries are sometimes given aid by charities and foreign governments.

Which aid programme would be **least** likely to lead to long-term economic growth?

- A. the building of an irrigation system
- B. the construction of a new airport
- C. the distribution of gifts of food
- D. the training of technical staff

[1 mark]

Question 6

Which change is most likely to be expected when an economy is developing?

- A. birth rates increase rapidly
- B. poverty rates fall
- C. unemployment levels rise
- D. the primary sector overtakes the secondary sector

[1 mark]

Question 7

What describes absolute and relative poverty?

	absolute poverty	relative poverty
A	when there are low birth rates, high death rates, and high levels of migration	when there are high birth rates, low death rates, and low levels of migration
B	when a person does not have enough money for food, shelter, and clothes	when a person earns less than others in the same society
C	when everyone has an income below US\$1.90 a day	when half the population has an income of US\$1.90 a day
D	when necessities cannot be afforded	when luxuries cannot be afforded

A.

[1 mark]

Question 8

Which characteristic will show that a country has significant absolute poverty?

- A. A majority of the population will have less than average income.
- B. Basic living needs are not being met.
- C. Most people do not have mobile phones.
- D. There is a high number of people living in rural areas.

[1 mark]

Question 9

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[1 mark]