

5.2 Poverty

Question Paper

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

Time allowed: 70
Score: /54
Percentage: /100

Question 1

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

Explain two ways a government could reduce relative poverty

[4 marks]

Question 2

Calculate, using information from the extract, how many people in Zambia lived in poverty in 2017.

Refer to the [source material](#) in your answers.

[2 marks]

Question 3

Identify, using information from the extract, **two** reasons why a person may have a low income.

Refer to the [source material](#) in your answers.

[2 marks]

Question 4

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.

Analyse how long-term unemployment can cause relative poverty.

[6 marks]

Question 5

Average life expectancy is as short for the poorest Americans as it is for the people of Sudan, a low-income African country. Low-income individuals tend to live longest in countries with more educated populations. Economic growth can increase education and reduce poverty. In 2017, the US President announced a cut in the tax on firms' profits. He said the measure would increase employment.

Analyse how economic growth can reduce absolute poverty.

[6 marks]

Question 6

The Malaysian government implemented the Vision 2020 policy which aims to make Malaysia a developed country by the year 2020. Along with this vision, the National Privatisation Policy was also implemented whereby various firms, such as those involved in telecommunications, were privatised. Poverty has significantly reduced since the implementation of these policy measures.

Identify the difference between absolute poverty and relative poverty.

[2 marks]

Question 7

The Malaysian government implemented the Vision 2020 policy which aims to make Malaysia a developed country by the year 2020. Along with this vision, the National Privatisation Policy was also implemented whereby various firms, such as those involved in telecommunications, were privatised. Poverty has significantly reduced since the implementation of these policy measures.

Analyse two policy measures to alleviate poverty.

[6 marks]

Question 8

Explain, using information from the extract, two reasons why poverty may have increased in Nigeria in 2015–16.

Refer to the [source material](#) in your answers.

[4 marks]

Question 9

Discuss whether or not an increase in the wages of low-paid workers will reduce poverty.

Refer to the [source material](#) in your answers.

[6 marks]

Question 10

The United Nations (UN) has set out development goals for countries to achieve by 2050. These goals include:

- conserve natural resources
- ensure education for all
- end poverty everywhere
- promote sustained economic growth

Analyse how a cut in the rate of interest could reduce poverty.

[6 marks]

Question 11

Explain, using information from the extract, how cash benefits given to the poor can reduce poverty.

Refer to the [source material](#) in your answers.

[4 marks]

Question 12

Explain what is meant by absolute poverty.

Refer to the [source material](#) in your answers.

[2 marks]

Question 13

The state of California has the most progressive tax system in the USA. The tax system helps reduce high poverty rates. Policy makers are considering reforming sales tax in the state to include services, while reducing the use of direct taxes.

Explain two reasons why a government may want to reduce poverty.

[4 marks]