

# 5.4 Differences in Economic Development

## Question Paper

Course	CIE IGCSE Economics
Section	5. Economic Development
Topic	5.4 Differences in Economic Development
Difficulty	Medium

**Time allowed:** 90  
**Score:** /72  
**Percentage:** /100

### **Question 1**

**Discuss** whether or not the Indonesian tourism industry will increase in the future.

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

**[6 marks]**

### **Question 2**

African countries are expected to experience growth in their output. It is also predicted that Africa's population will increase from 1.1bn in 2017 to 4.2bn by 2100, when Nigeria will account for one in twelve of the world's births. Nigeria and South Africa are expected to experience the greatest rise in investment (spending on capital goods) over this period, and a change in their gender distribution.

**Discuss** whether or not a cut in the rate of interest will increase investment

**[8 marks]**

### **Question 3**

Mali is a developing country. Its Human Development Index (HDI) rose from 0.297 in 2000 to 0.442 in 2016. Most of Mali's workers are employed in agriculture and cotton is the country's main agricultural crop. The country's main export, however, is gold. The country is the third largest exporter of gold in Africa.

**Explain** how the proportion of a country's resources devoted to the primary, secondary and tertiary sectors change as its economy develops

**[4 marks]**

### **Question 4**

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.

**Explain two** causes of differences in economic development between countries.

[4 marks]

### **Question 5**

**Discuss** the advantages and disadvantages of a city having a large tertiary sector.

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

[5 marks]

### **Question 6**

**Identify**, from the extract, **two** primary sector industries.

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.

**Define** tertiary sector and give an example of an industry operating in the tertiary sector.

[2 marks]

### Question 8

In 2016, France had a trade in services deficit. France is a rich, developed country with a high standard of living. The country is, however, facing several challenges including population problems. Also, after elections in 2017, politicians and economists debated whether the country should try to move towards freer international trade.

**Discuss** whether or not the standard of living is higher in developed countries than in developing countries.

[8 marks]

### Question 9

**Explain**, using information from the extract, **two** reasons why someone from India with the same income as someone from Finland may enjoy a higher living standard.

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

[4 marks]

### Question 10

It was predicted that global unemployment would rise by over two million in 2017. Unemployment rates, however, vary between countries. Some governments use fiscal policy measures and others use supply-side policy measures to reduce unemployment. The unemployment rate can also be influenced by trade protection.

**Explain two** reasons why the unemployment rate may be higher in one country than another.

[4 marks]

### **Question 11**

**Identify**, using information from the extract, **two** industries that are in the primary sector of the Icelandic economy.

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

**[2 marks]**

### **Question 12**

**Discuss** whether or not a growth in tourism is an advantage to a country such as Iceland.

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

**[6 marks]**

### **Question 13**

**Discuss** whether or not having more of its workers employed in the tertiary sector would benefit the Liberian economy.

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

**[5 marks]**

### **Question 14**

Swaziland is a small African country where six in ten people live in poverty and most firms are small and use little capital equipment. In October 2015 it opened a new airport. Some economists suggest that the building of the airport involved a high opportunity cost and caused a range of external costs. The building of the airport is part of the government's plan to turn the country from a developing into a developed country.

**Explain two** reasons why a government would want to turn its country from a developing into a developed country.

**[4 marks]**

### **Question 15**

Farms in the USA are getting larger. One dairy farm in the state of Indiana has over 38 000 cows. Farms in the USA compete with farms in both developed and developing countries. The value of the farms' exports of milk appears in the trade in goods section of the current account of the USA's balance of payments.

**Discuss** whether or not developing countries benefit from producing mainly primary products

**[8 marks]**



