IGCSE CIE

Economics MCQ

Employment and Unemployment (QP)

1.May 2024-11/22

What is necessary for a worker to be classified as unemployed?

	the worker does not have a paid job	the worker is prepared to work	the worker will accept the current wage rate
A	yes	no	no
B	yes	no	yes
C	yes	yes	no
D	yes	yes	yes

2.May 2024-12/22

How is the pattern of employment likely to change when a country becomes more developed?

A from rural employment to urban employment

B from skilled employment to primary employment

C from technical employment to manual employment

D from tertiary employment to secondary employment

3.May 2024-13/22

Which type of unemployment is generally regarded by economists as the **least** serious for the economy?

A cyclical

B frictional

C regional

D structural

4.March 2024-12/22

Which of these people would be classed as unemployed?

A a student who does not work

B a person who does not have a job and is actively looking for one

C a retired person who does not work

D an adult who does not have a job and stays at home to provide childcare

5.Oct 2023-11/22

What is full employment considered to be?

A no cyclical unemployment

B no frictional unemployment

C no private sector unemployment

D no seasonal unemployment

6. Oct 2023-12/22

Which change to fiscal policy is **most** likely to reduce cyclical unemployment in an economy?

A increasing direct taxation

B increasing the budget deficit

C increasing the budget surplus

D increasing the money supply

7. Oct 2023-13/22

In high-income economies, cereal farming is highly productive but few workers are employed.

What could have caused this employment situation?

A a fall in world demand for cereals

B a lack of capital equipment

C increased mechanisation of agriculture

D large-scale migration from rural areas

8.May 2023-11/22

What is **most** likely to lead to an increase in structural unemployment in a country?

A The country is experiencing a period of negative economic growth.

B The country is experiencing a period of positive economic growth.

C The country is moving from producing primary sector goods to secondary sector goods.

D The country is moving towards more flexible labour markets.

9.May 2023-12/22

What is a likely consequence of a falling level of unemployment?

A downward pressure on wage rates

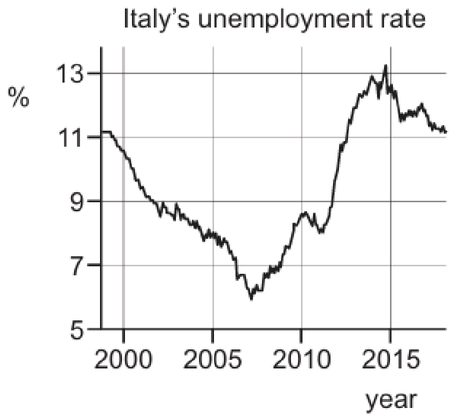
B increase in welfare benefit payments

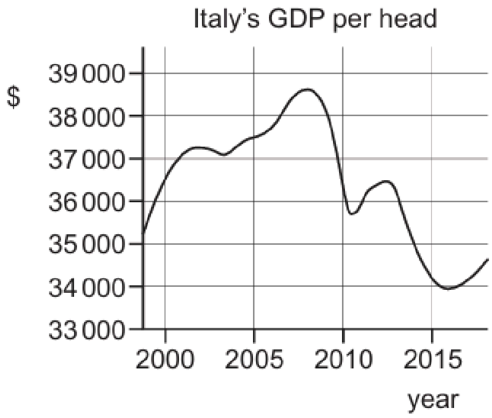
C rise in absolute poverty

D rise in income tax revenue

10.May 2023-12/23

The diagrams show Italy's unemployment rate and GDP per head.





When do Italy's unemployment rate and GDP per head rise at the same time?

A 2000–2001

B 2007–2008

C 2009–2010

D 2014–2015

11.March 2023-12/23

Which government policy would be **most** likely to reduce structural unemployment?

A a decrease in the rate of interest

B a decrease in the tax on goods and services

C an increase in spending on education and training

D an increase in tariffs on imported goods and services

12.Oct 2022-11/21

A shop worker was made redundant due to the introduction of self-service checkouts.

Which type of unemployment is this?

A cyclical

B frictional

C seasonal

D structural

13.Oct 2022-12/20

An individual decides to employ a professional decorator rather than buying the materials and decorating her house herself.

Why would this decision cause GDP to rise?

A The activity would be recorded as income for the decorator.

B The individual would have more leisure time.

C The professional decorator can purchase materials at a discount.

D The professional decorator would work less efficiently than the individual.

14. Oct 2022-12/21

What is the definition of the unemployment rate?

A the benefits and allowances paid by the government to people without a job

B the number of people without a job but seeking a job as a percentage of the labour force

C the rate of change in the number of people who have not worked over the last year

D the total number of people not working when the data was calculated

15. Oct 2022-12/23

The table shows changes in economic growth and inflation.

Which changes are likely to be the result of rising unemployment?

	economic growth	inflation
A	falling	falling
B	falling	rising
C	rising	falling
D	rising	rising

16.Oct 2022-13/21

What is the **most** likely consequence of increased unemployment?

A higher output

B higher government budget deficit

C higher self-esteem

D higher inflation

17.May 2022-11/5

A government retrains unemployed industrial workers to increase employment opportunities. The policy may have adverse effects on other government macroeconomic aims.

What illustrates this situation?

A Better skilled workers may increase productivity and improve economic growth.

B Increased wage-earning capacity may lead to demand-pull inflation.

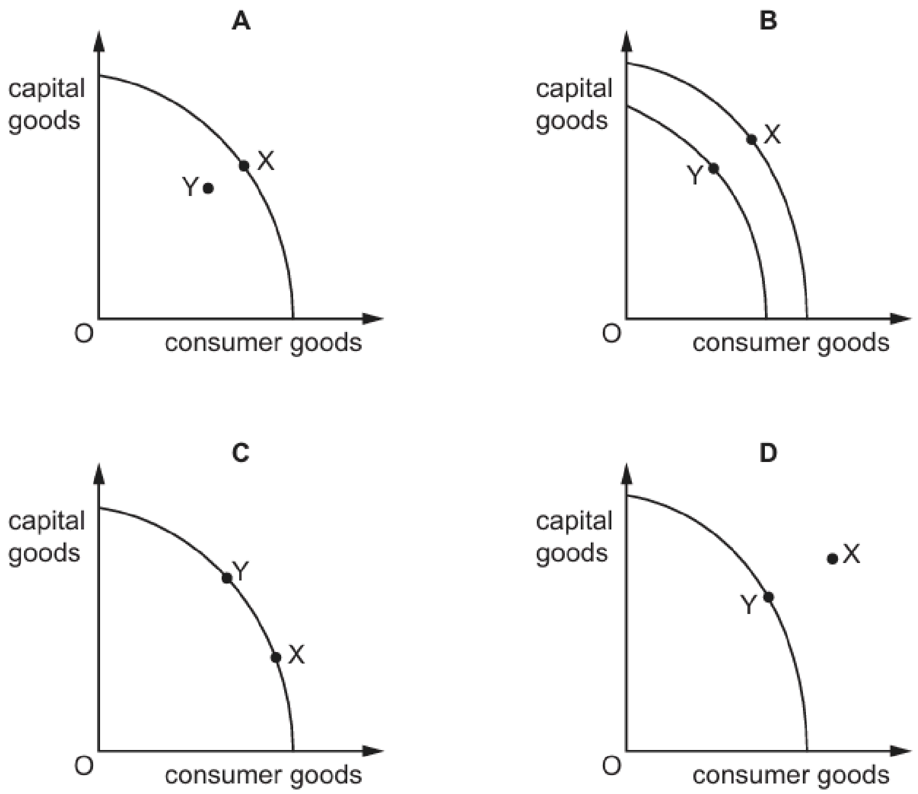
C More employed workers may reduce government expenditure on benefit payments.

D Near full employment may result in a more stable balance of payments.

18.May 2022-11/21

An economy experiences a recession and moves from full employment to 5% unemployment.

Which movement from X to Y on the PPC diagram shows the consequence for the economy?



19.May 2022-12/21

The retail trade in a country has unemployed workers in one region and job vacancies in another region.

What could explain this?

A Costs of employing workers are lower when there is unemployment.

B It is more expensive to live in the area where the retail jobs are available.

C Retailing demands the same skills everywhere.

D The geographical mobility of labour has increased.

20.May 2022-13/21

Why might the macroeconomic aim of full employment conflict with the aim of stable prices?

A Full employment leads to higher cost of imports.

B Full employment leads to increased income inequality.

C Full employment leads to increases in wages.

D Full employment leads to lower exports.

21.March 2022-12/21

Which two types of citizens are counted in the calculation of the unemployment rate?

	type 1	type 2
A	full-time student	unemployed and not willing to work
B	prisoner	stay-at-home parent
C	retired	voluntarily unemployed
D	unemployed and willing to work	employed

22.Oct 2021-11/21

Why is weighting used in the Consumer Prices Index (CPI)?

A to ensure that all items in the index are treated equally

B to ensure that all price changes are included in the index

C to ensure that the index includes changes in the quantity consumed

D to ensure that the index reflects the spending patterns of consumers

23.Oct 2021-12/23

Which combination of policy measures is **most** likely to increase the level of employment?

A decrease general taxation and decrease the rate of interest

B decrease general taxation and increase the rate of interest

C increase general taxation and decrease the rate of interest

D increase general taxation and increase the rate of interest

24. Oct 2021-13/17

Why might measures to reduce unemployment also make inflation rise?

A They encourage cheap imports.

B They increase demand.

C They reduce firms' costs.

D They require wages to fall.

25.Oct 2021-13/23

Why might measures to reduce unemployment also make inflation rise?

A They encourage cheap imports.

B They increase demand.

C They reduce firms' costs.

D They require wages to fall.

26.May 2021-11/22

22 The table compares the distribution of employment in selected industries in two years.

industry	employment in millions	
	year 1	year 2
agriculture	4	3
mining	2	2
manufacturing	6	6
retailing	4	4
transport	4	5
total	20	20

How did the distribution of employment change between year 1 and year 2?

	primary sector	secondary sector
A	fell	rose
B	fell	unchanged
C	rose	fell
D	rose	unchanged

27. May 2021-12/22

22 The table compares the distribution of employment in selected industries in two years.

industry	employment in millions	
	year 1	year 2
agriculture	4	3
mining	2	2
manufacturing	6	6
retailing	4	4
transport	4	5
total	20	20

How did the distribution of employment change between year 1 and year 2?

	primary sector	secondary sector
A	fell	rose
B	fell	unchanged
C	rose	fell
D	rose	unchanged

28. May 2021-13/22

The table compares the distribution of employment in selected industries in two years.

industry	employment in millions	
	year 1	year 2
agriculture	4	3
mining	2	2
manufacturing	6	6
retailing	4	4
transport	4	5
total	20	20

How did the distribution of employment change between year 1 and year 2?

	primary sector	secondary sector
A	fell	rose
B	fell	unchanged
C	rose	fell
D	rose	unchanged