

# 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
Α	yes	no	no
В	yes	no	yes
С	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.



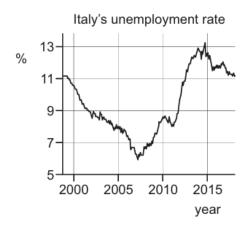
# 9.May 2023-12/22

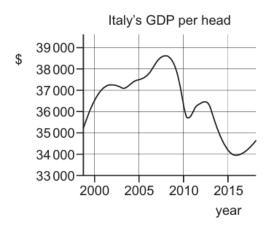
What is a likely consequence of a falling level of unemployment?

- 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
Α	falling	falling
В	falling	rising
С	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.

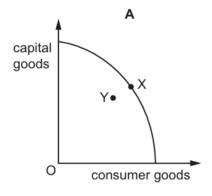
What illustrates this situation?

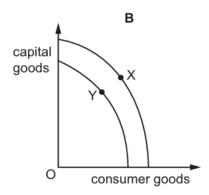
- A Better skilled workers may increase productivity and improve economic growth.
- B Increased wage-earning capacity may lead to demand-pull inflation.
- C More employed workers may reduce government expenditure on benefit payments.
- **D** Near full employment may result in a more stable balance of payments.

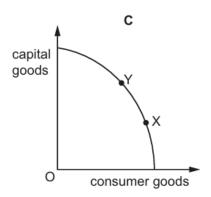
### 18.May 2022-11/21

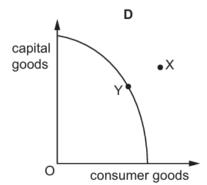
An economy experiences a recession and moves from full employment to 5% unemployment.

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
Α	full-time student	unemployed and not willing to work
В	prisoner	stay-at-home parent
С	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.
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# 26.May 2021-11/22

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

industry	employment in millions	
industry	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
Α	fell	rose
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