

IGCSE CIE

Economics MCQ

Poverty (QP)

1.May 2024-11/24

The introduction of a minimum hourly wage in an industry aims to reduce poverty among low-paid workers.

What is an advantage to workers of an effective national minimum wage?

- A** All workers get paid according to their level of productivity.
- B** Firms may look to increase capital equipment rather than labour.
- C** Levels of employment become more dependent on wage differences.
- D** Redistribution of a firm's income rewards labour rather than owners.

2.May 2024-13/25

What best describes relative poverty?

- A** A 12-year-old boy has never been able to access a doctor or school.
- B** A person earns less than the minimum defined level of income.
- C** A person has a lower living standard than the minimum level acceptable in a society.
- D** A person is unable to afford the basic necessities of life.

3.March 2024-12/26

What is the most likely cause of an increase in poverty in developing economies?

- A** an increase in poor nutrition and ill-health
- B** an increase in education provision
- C** an increase in international tourism
- D** an increase in trade union bargaining power

4.May 2023-12/24

During a recession, many people in a city become unemployed and their incomes fall. Some people can no longer pay the rent on their houses or buy the food they need.

What is the effect of the recession in the city?

	absolute poverty	relative poverty
A	increases	increases
B	increases	unchanged
C	unchanged	increases
D	unchanged	unchanged

5.May 2023-13/24

What is **most** likely to cause an increase in relative poverty?

- A an increase in state benefits
- B an increase in the national minimum wage
- C pension increases below the rate of inflation
- D people working beyond retirement age

6.Oct 2022-12/26

A fall in the level of absolute poverty can be best achieved by reducing

- A government unemployment benefits.
- B income tax.
- C the number of homeless people.
- D the rate of inflation.

7.May 2022-12/23

A government wants to reduce both its budget deficit and the amount of poverty in its country.

Which fiscal policy measure is **most** likely to achieve both of these aims?

- A decreasing the rate of progressive income tax
- B decreasing government spending on welfare benefits
- C increasing the rate of progressive income tax
- D increasing government spending on welfare benefits

8.March 2022-12/25

A newspaper article on 'Poverty in Country X' included the following statements.

- 1 The poverty line is living on less than \$2 a day.
- 2 Those on average income consume five times more calories per day than those on the lowest incomes.

Which type of poverty is described in each of these statements?

	statement 1	statement 2
A	absolute	absolute
B	absolute	relative
C	relative	absolute
D	relative	relative

9.Oct 2021-11/24

What is a certain cause of absolute poverty?

- A** growing old
- B** insufficient income for basic needs
- C** lack of good healthcare
- D** many dependants in the family

10. Oct 2021-12/24

Poverty in households may be defined in relative terms.

What indicates relative poverty?

- A** falling below society's expected standard of living
- B** income level required to meet basic needs
- C** lack of access to clean water
- D** living on less than \$2 a day

11. Oct 2021-13/24

What could reduce poverty?

- A** greater economic growth
- B** less spending on education
- C** more regressive taxation
- D** privatisation of hospitals

12.May 2021-11/25

The richest 60% of the population of a high-income economy received an increase in income. The income of the rest of the population did not change.

What happened to absolute and relative poverty?

	absolute poverty	relative poverty
A	increased	increased
B	increased	remained constant
C	remained constant	increased
D	remained constant	remained constant

13.May 2021-12/25

The richest 60% of the population of a high-income economy received an increase in income.
The income of the rest of the population did not change.

What happened to absolute and relative poverty?

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14.May 2021-13/25

The richest 60% of the population of a high-income economy received an increase in income.
The income of the rest of the population did not change.

What happened to absolute and relative poverty?

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B	increased	remained constant
C	remained constant	increased
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15.March 2021-12/25

Which statement about poverty is correct?

- A** Absolute poverty occurs when income falls below what is needed for survival.
- B** An advanced economy is likely to have a higher level of absolute poverty than relative poverty.
- C** It is impossible for relative poverty to rise as absolute poverty falls.
- D** Relative poverty is measured by the same goods and services in all countries.