IGCSE CIE

Economics MCQ

Economic Growth (QP)

1.May 2024-11/19

A government attempts to raise economic growth with a policy of reduced interest rates.

Which other government objective is most likely to be helped in the short run?

A lower unemployment

B price stability

C reduced income inequality

D reduced trade deficit

2.May 2024-11/21

Subsistence farming is the practice of growing crops and raising livestock sufficient only for one's own use without any surplus for trade.

Why is it difficult for a government to measure economic growth in an economy based on subsistence farming?

A Farmers' families consume most of their own produce.

B Farmers have low rates of saving.

C The size of harvest is dependent on the weather.

D The surplus produce is sold to the government.

3.May 2024-12/21

Which change is most likely to cause faster economic growth in the short run?

A an increase in net emigration

B an increase in the birth rate

C an increase in the death rate

D an increase in the retirement age

4.March 2024-12/18

What is likely to increase with economic growth?

A cyclical unemployment

B income per head

C the budget deficit

D the stock of natural resources

5.Oct 2023-11/21

An increase in which economic indicator best describes economic growth?

A   general price level

B   level of consumption

C   level of output

D   living standards

6.Oct 2023-12/21

The table shows the real GDP per head for a country in 2021 and 2022.

2021	2022
$20 000	$21 000

What is **most** likely to have changed between 2021 and 2022?

A   Incomes were distributed more evenly.

B   There was more activity in the informal economy.

C   The living standards of some people improved.

D   The rate of inflation increased.

7.Oct 2023-13/21

What is the **most** likely consequence of economic growth?

A   more equal income distribution

B   more use of resources

C   reduced imports

D   reduced tax revenue

8.May 2023-11/21

A government has introduced a tax on a necessity. Producers have passed on a large proportion of this tax to consumers in the form of higher prices.

Which row is correct?

	type of tax	price elasticity of demand
A	direct	price elastic
B	direct	price inelastic
C	indirect	price elastic
D	indirect	price inelastic

9.May 2023-12/21

The table shows real GDP in US$ billion for a country over a three-year period.

year	real GDP US$ billion
1	205
2	215
3	219

What does the GDP data indicate for the country between year 1 and year 3?

A   a reduction in the rate of inflation

B   an increase in the rate of economic growth

C   the existence of economic growth

D   the existence of economic growth per capita

10.May 2023-12/23

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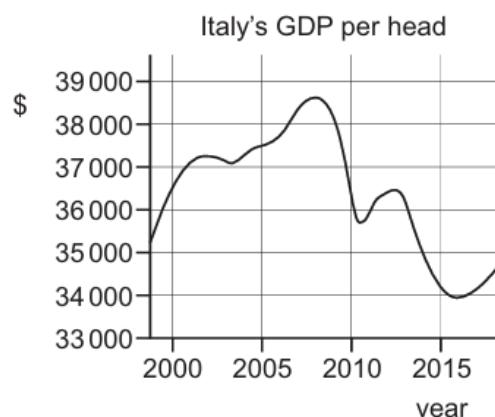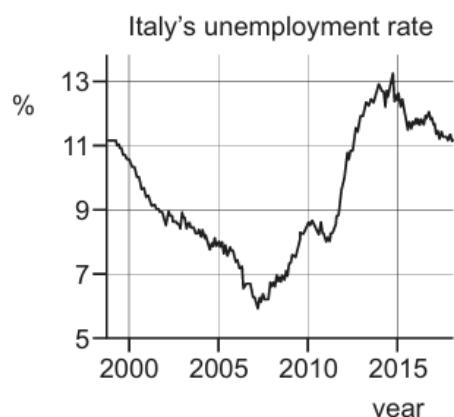
When do Italy's unemployment rate and GDP per head rise at the same time?

A   2000–2001

B   2007–2008

C   2009–2010

D   2014–2015

11.March 2023-12/20

In the past, governments have adopted policies to try to end a recession in their country and increase economic growth.

Which combination of policies is **most** likely to achieve this?

A   lower taxes and decrease government spending

B   lower taxes and increase government spending

C   raise taxes and decrease government spending

D   raise taxes and increase government spending

12.March 2023-12/22

As a country develops economically, what is **most** likely to happen?

A   There will be an increase in productivity.

B   There will be an increase in the birth rate.

C   There will be an increase in the death rate.

D   There will be reduced occupational mobility.

13.March 2023-12/27

The table shows figures for the real GDP of a country in a particular year.

quarter 1 ($bn)	quarter 2 ($bn)	quarter 3 ($bn)	quarter 4 ($bn)
100	101	99	98

A quarter is three months.

At the end of which quarter had the economy experienced a recession?

A   quarter 1

B   quarter 2

C   quarter 3

D   quarter 4

14.Oct 2022-11/19

What is the **most** effective way for a government to raise national output?

A   encourage a period of deflation

B   improve the productivity of resources

C   limit the size of its population

D   restrict its trade with other countries

15.Oct 2022-11/20

The table shows real GDP and population for four countries.

Which country has the highest real GDP per head?

	real GDP ($ billions)	population (millions)
A	200	80
B	100	25
C	80	50
D	60	12

16.Oct 2022-12/19

The diagram shows a country's economic growth rate over a 5-year period.
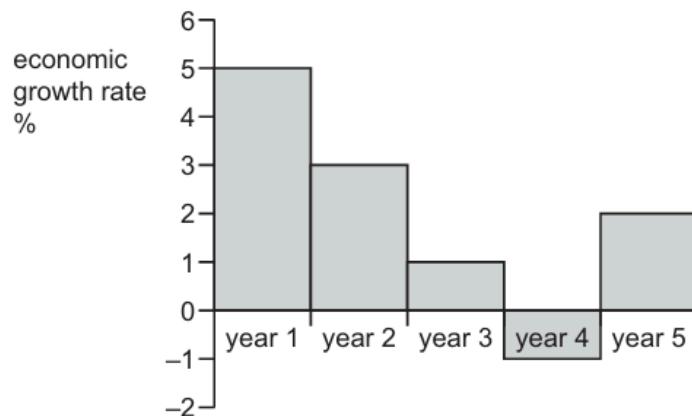
What can be concluded from the diagram?

A Output fell throughout the period.

B Output was at its highest in year 1.

C Output was at its highest in year 5.

D Output was at its lowest in year 4.

17.Oct 2022-13/19

A country wishes to encourage economic growth.

Which policy measure is **most** likely to achieve this aim?

A increasing interest rates

B increasing spending on education

C reducing the maximum permitted hours of work

D reducing spending on infrastructure

18.Oct 2022-13/20

How does a country usually measure its Gross Domestic Product?

A by calculating the total value of all goods and services produced within the economy

B by measuring the average prices of a basket of goods and services throughout the country

C by subtracting government expenditure from government revenue

D by surveying the number of people who are out of work but willing and able to work

19.May 2022-11/20

What is a likely cause of economic growth?

A   decreased employment

B   decreased investment

C   decreased productivity

D   decreased taxation

20.May 2022-12/20

What is identified as economic growth?

A   a fall in labour productivity

B   an increase in the productive capacity of the economy

C   an increase in the Consumer Prices Index (CPI)

D   the economy enters a period of recession

21.May 2022-13/20

What may cause a recession?

A   an increase in consumer spending

B   an increase in government spending

C   an increase in imports

D   an increase in investment

22.March 2022-12/11

Labour-intensive sectors are the main contributors to Vietnam's economic growth.

What does this reveal about Vietnam's economy?

A   Availability of labour in Vietnam is low.

B   Demand for products from labour-intensive sectors is low.

C   Price of labour in Vietnam is high.

D   Production of goods and services in Vietnam is mainly dependent on labour.

23.March 2022-12/19

The table shows economic indicators for an economy over a one-year period.

Which indicator **most** likely caused economic growth?

A	B	C	D
investment	unemployment	inflation	saving
+3%	+2%	+1%	+4%

24.Oct 2021-11/16

Recession is when there are two consecutive quarters (six months) of

A deflation.

B falling GDP.

C rising prices.

D rising unemployment.

25.Oct 2021-11/18

What causes economic growth?

A availability of more resources

B higher imports of consumer goods

C higher unemployment

D lower investment

26.Oct 2021-12/18

What is the consequence of economic growth for individuals and for the economy?

	individuals	the economy
A	increase in absolute poverty	increase in inflation
B	increase in average incomes	increase in government tax revenue
C	increase in the variety of goods and services	reduction in exports
D	increase in unemployment	reduction in the standard of living

27.Oct 2021-13/16

Which economic situation exists when there are two consecutive quarters (six months) of negative economic growth?

A   budget surplus

B   current account deficit

C   inflation

D   recession

28.Oct 2021-13/18

Which change affecting an economy's labour market promotes economic growth?

A   increasing trade union strike action

B   lowering the age of retirement

C   reducing training of workers

D   removing immigration controls

29.May 2021-11/21

Economic growth can be defined as

A   a reduction in a country's rate of inflation.

B   an increase in a country's exports.

C   an increase in a country's population.

D   an increase in a country's productive capacity.

30.May 2021-12/21

Economic growth can be defined as

A   a reduction in a country's rate of inflation.

B   an increase in a country's exports.

C   an increase in a country's population.

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31.May 2021-13/21

Economic growth can be defined as

A   a reduction in a country's rate of inflation.

B   an increase in a country's exports.

C   an increase in a country's population.

D   an increase in a country's productive capacity.

32.March 2021-12/22

The table shows some data about an economy.

	year 1
rate of inflation (%)	3.5
change in personal incomes (%)	2.5

What happened in year 1?

A   Both prices and real incomes fell.

B   Both prices and real incomes rose.

C   Prices fell but real incomes rose.

D   Prices rose but real incomes fell.