



2. Australia's foreign exchange rate fluctuates. The value of Australia's exports is regularly greater than the value of its imports. Australia is Papua New Guinea's main trading partner. In 2019, the government of Papua New Guinea increased income tax to reduce its inflation rate. It used other policy measures to increase its economic growth rate.

**(a) Define foreign exchange rate.** [2]

Definition:

**(b) Explain two reasons why the value of a country's exports may be greater than the value of its imports.** [4]

**TRIGGER:**

Reason 1:

Reason 2:



**(c) Analyse how an increase in income tax can affect a country's inflation rate.** [6]

Key point 1:

Key point 2:

Key point 3:



**(d) Discuss whether or not governments should aim for a high rate of economic growth.** [8]

Government <b>SHOULD</b> aim for a higher rate of economic growth	Government <b>SHOULD NOT</b> aim for a higher rate of economic growth

3. Trade union membership is much higher in Sweden than in most countries. In 2019, 70% of Swedish workers were members of a trade union. More than 85% of Swedish workers are employed in the tertiary sector, compared with only 2% in the primary sector. Swedish workers spend their incomes on a variety of products some of which, e.g. sweets, are demerit goods. Sweden has the 7th highest per head consumption of sweets in the world.

**(a) Identify two influences on what products a person buys.** [2]

Influence 1:

Influence 2:



**(b) Explain two ways a government could decrease the consumption of demerit goods. [4]**

Way 1:

Way 2:

Way 3:

**(c) Analyse why workers may join a trade union.**

**[6]**

Reason 1:

Reason 2:

Reason 3:





**(d) Discuss whether or not tertiary sector workers are paid more than primary sector workers. [8]**

**TRIGGERS:**

Tertiary sector workers <b>ARE</b> paid more than primary sector workers	Tertiary sector workers <b>AREN'T</b> paid more than primary sector workers
	

**4. Uganda specialises in agricultural products and has a relatively small secondary sector. In the 1990s, the Ugandan government privatised most of its firms, including banks and railways. Some economists thought this privatisation was unsuccessful because poverty increased and unemployment remained high. In recent years, the Ugandan government has used supply-side policy measures to reduce unemployment.**

**(a) Define *privatisation*. [2]**

Definition:

**(b) Explain the difference between absolute poverty and relative poverty. [4]**

Absolute poverty:

Relative poverty:



**(c) Analyse how specialisation can benefit firms.**

**[6]**

Benefit 1:

Benefit 2:

Benefit 3:






(d) Discuss whether or not the use of supply-side policy measures will reduce unemployment.

[8]

**TRIGGERS:**

Supply side policies:

- 1.
- 2.
- 3.
- 4.
- 5.

Supply-side policy measures <b>WILL REDUCE</b> unemployment	Supply-side policy measures <b>WILL NOT REDUCE</b> unemployment
	



5. Singapore is a high-income country with a shortage of land and labour. Singapore is often given as an example of a market economy. The Singaporean government does, however, intervene in the economy. For example, it encourages its population to eat two servings of fruit and two servings of vegetables per day.

**(a) Identify the reward to labour and the reward to land. [2]**

Labour:

Land:

**(b) Explain how an increase in a worker's income can affect their mobility of labour. [4]**

Way 1:

Way 2:

**(c) Analyse, using a demand and supply diagram, how a greater awareness of the health benefits of eating fruit will affect the market for fruit. [6]**

Diagram:





(d) Discuss whether or not a market economic system benefits an economy. [8]

TRIGGERS:

Market economic system <b>BENEFITS</b> an economy	Market economic system <b>HARMS</b> an economy

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