

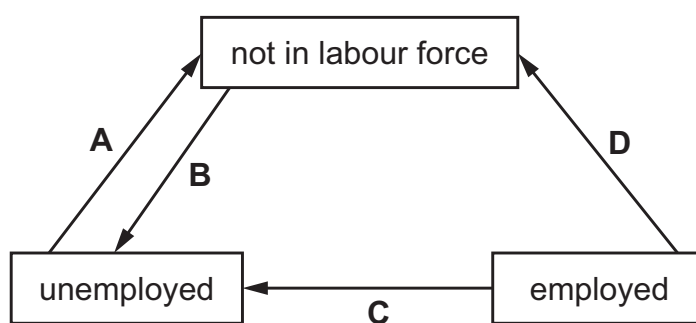
26 A country's currency depreciates in terms of other currencies.

What would be a consequence of this depreciation?

- A** There would be a decrease in structural unemployment.
- B** There would be a decrease in the volume of exports.
- C** There would be an increase in cost-push inflationary pressure.
- D** There would be an increase in the budget deficit.

16 The diagram shows three groups of people with four possible flows between them.

Which flow indicates that people have become discouraged from seeking work?



- 4** (a) Explain the possible causes of frictional unemployment and technological unemployment **and** consider whether some element of frictional unemployment is inevitable in an economy. [8]
- (b) Assess whether the consequences of technological unemployment are likely to be more serious than those of cyclical unemployment. [12]

OR

- 5** (a) Explain the difference between structural unemployment and cyclical unemployment **and** consider the extent to which structural unemployment is likely to be more damaging to an economy than cyclical unemployment. [8]
- (b) Low unemployment is a macroeconomic policy objective for a government.

Assess the extent to which this is most likely to be achieved by supply-side policy. [12]

18 An economy's manufacturing share of real GDP fell from 30% in 1990 to 12% in 2023.

Which type of unemployment would have resulted from this?

- A** cyclical
- B** frictional
- C** structural
- D** voluntary

19 What is most likely to cause an unemployed worker to be classified as frictionally unemployed?

- A** lack of relevant skills for vacant jobs
- B** lack of up-to-date job vacancy information
- C** greater use of technology in the production process
- D** an increase in regional pay inequality

20 A large coal mine is forced to close because of falling demand for coal as consumers switch to less polluting fuels. The government organises retraining courses and recruitment events for the coal mine workers.

Which type of unemployment is the government trying to reduce?

- A** cyclical
- B** seasonal
- C** structural
- D** technological