11 The table shows how household spending changes with income.

income ($ per month)	spending ($ per month)
4000	4150
4300	4375
4600	4650
4900	4900
5200	4975
5500	5275

What is the first level of income shown at which savings are positive?

A $4000 **B** $4600 **C** $4900 **D** $5200

IGCSE Economics: **s25 11**

11 If interest rates fall, what will be the most likely effect on saving and borrowing?

	saving	borrowing
A	decrease	decrease
B	decrease	increase
C	increase	decrease
D	increase	increase

IGCSE Economics: **s25 13**

10 A country's central bank raised the rate of interest from 1% to 4% per year.

How would this change have affected the amount saved and the cost of borrowing by individuals?

	amount saved	cost of borrowing
A	decreased	decreased
B	decreased	increased
C	increased	decreased
D	increased	increased

5 In 2023, the Chinese Government said that it would aim for an economic growth rate of 5% and a steady increase in both exports and imports. It was expected that higher output would be caused mainly by an increase in household spending, although this could also result in inflation. Another aim of the Chinese Government was to keep the unemployment rate at around 5.5%. China has an ageing population and an ageing labour force.

(a) Identify **two** influences on household spending. [2]

(b) Explain **two** advantages of employing older workers. [4]

(c) Analyse how an increase in household spending could cause inflation. [6]

(d) Discuss whether or not a government should aim for an increase in imports. [8]