

17 What are two macroeconomic aims of government?

- A** to allocate resources and reduce trade union membership
- B** to create economic growth and prevent high inflation
- C** to raise interest rates and reduce pollution
- D** to reduce exports and increase imports

20 Which government action would **not** be included as part of a supply-side policy?

- A** increasing the privatisation of industries
- B** lowering national minimum wage rates
- C** raising tariffs on international trade
- D** reducing state benefits

28 Which government policy would encourage greater international trade?

- A** an increase in the level of domestic regulation
- B** an increase in the level of tariffs on imports
- C** the abolition of domestic subsidies for declining industries
- D** the abolition of free trade agreements

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25 In many high-income economies, increasing income inequality has led to greater levels of poverty.

Which combination of policies would aim to reduce income inequality?

	fiscal policy	supply-side policy
A	decrease corporation tax	create more competition
B	increase income tax	reduce the power of trade unions
C	increase inheritance tax	increase the national minimum wage
D	increase sales tax	privatise more public sector firms

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1 What is **least** likely to increase the geographical mobility of labour?

- A** greater provision of information about available jobs
- B** improved roads and communication network
- C** increased opportunities for education and training
- D** strengthened family ties and relationships

28 Mining by multinational companies (MNCs) has both costs and benefits for the host nation.

Which activity is **least** likely to offer a benefit to the host nation?

- A** developing courses for training in mining
- B** investing in infrastructure to export minerals
- C** repatriating profits and dividends
- D** using new technology

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22 Which action by employers is most likely to reduce long-term economic growth?

- A** allowing workers time off to attend retraining courses
- B** encouraging workers to work flexibly in different roles
- C** granting workers regular short breaks during the working day
- D** replacing skilled workers with semi-skilled workers

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20 What is most likely to result from a successful supply-side policy?

- A** a deterioration in the current account of the balance of payments
- B** economic growth
- C** increased inflation
- D** increased structural unemployment