**O Level Economics – Revision – Economic Indicators**

**Section 1: Definitions**

Define the following economic terms. Describe the term and provide method of measurement, if relevant. (e.g. how do governments measure the level of inflation?)

(ai) Gross Domestic Product [2]

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(aii) Recession [2]

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(bi) Unemployment [2]

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(bii) Underemployment [2]

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(ci) Inflation [2]

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(cii) Deflation [2]

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**Section 2: Causes**

Identify **four** causes for each of the following economic conditions. Consider the internal and external factors affecting these economic conditions. (e.g. external demand due to changes in consumer income in other countries)

(ai) Recession [4]

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(aii) Economic Growth [4]

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(bi) Inflation [4]

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(bii) Deflation [4]

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(c) Unemployment [4]

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**Section 3: Consequences**

Analyze the impacts for each of the following economic conditions. Explain how these economic conditions affect (i) individuals as workers/consumers (ii) firms (iii) economy (e.g. aims of government, living standards)

(ai) Recession [6]

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(aii) Economic Growth [6]

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(bii) Deflation [6]

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(c) Unemployment [6]

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**Section 4: Application Questions**

Answer the following questions. Ensure that you state the **main point** in each paragraph at the **START** of each paragraph.

Q4.1) Discuss whether a cut in taxation will reduce inflation. [6]

Q4.2) Discuss whether it is always possible for a country to have low unemployment and low inflation at the same time. [8]

Q4.3) Explain two indicators of living standards. [4]

Q4.4) Discuss whether a rise in the wages paid to low-paid workers would benefit an economy. [8]

Q4.5) Analyse how an increase in tourism can increase a country’s inflation rate. [6]

Q4.6) Discuss whether a decrease in imports would increase a country’s economic growth rate. [8]