

IB Economics – Development Economics

Exam Practice Questions: 4.1 Economic Growth and Development



IB Economics: www.IBDeconomics.com

IB ECONOMICS PAPER 2 EXAMINATION QUESTIONS – DEVELOPMENT ECONOMICS

Answer the questions that follow.

Paper 2. Duration: 1 hour 30 minutes. Weighting: Higher Level 40%, and Standard Level 30%.

IB Economics exam Paper 2 is divided into Section A and Section B. Section A – International Economics – assesses the IB Economics student's knowledge, analytic and evaluative skills.

- Students answer two questions in total, one from section A and one from section B.
- In each section, students are required to answer one question from a choice of two.
- The questions are each subdivided into four parts, (a), (b), (c) and (d).

Students are expected to demonstrate the following assessment objectives.

Section B

The principal focus is on section 4 of the syllabus – development economics.

While the principal focus of the questions is on section 4, it is likely that students will be required to draw on other sections of the syllabus.

The command terms used in each question, or part thereof, indicate the depth required.

Part (a) of each question requires knowledge and understanding. It is subdivided into (i) and (ii). The maximum for each of these is 2 marks, with a combined maximum of **4 marks**.

Part (b) of each question requires knowledge and understanding, application and analysis, and selection, use and application of a variety of appropriate skills and techniques. The maximum for this part is **4 marks**.

Part (c) of each question requires knowledge and understanding, application and analysis, and selection, use and application of a variety of appropriate skills and techniques. The maximum for this part is **4 marks**.

Part (d) of each question requires knowledge and understanding, application and analysis, and synthesis and evaluation. The maximum for this part is **8 marks**.

The section B question is worth a total of **20 marks**.

4.1 ECONOMIC GROWTH AND DEVELOPMENT: EXAM PRACTICE QUESTIONS

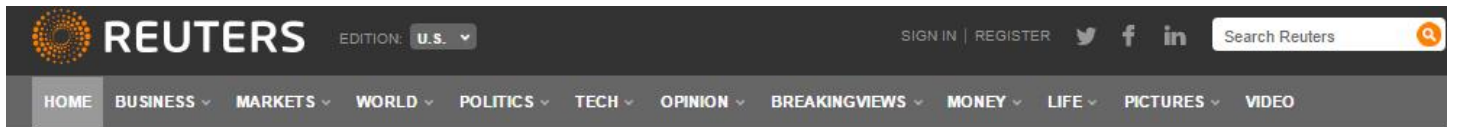
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Study the extract below and answer the questions that follow.

ITEM 1: BREAKING BUSINESS NEWS

News item appearing in all major English-language newspapers and global media.



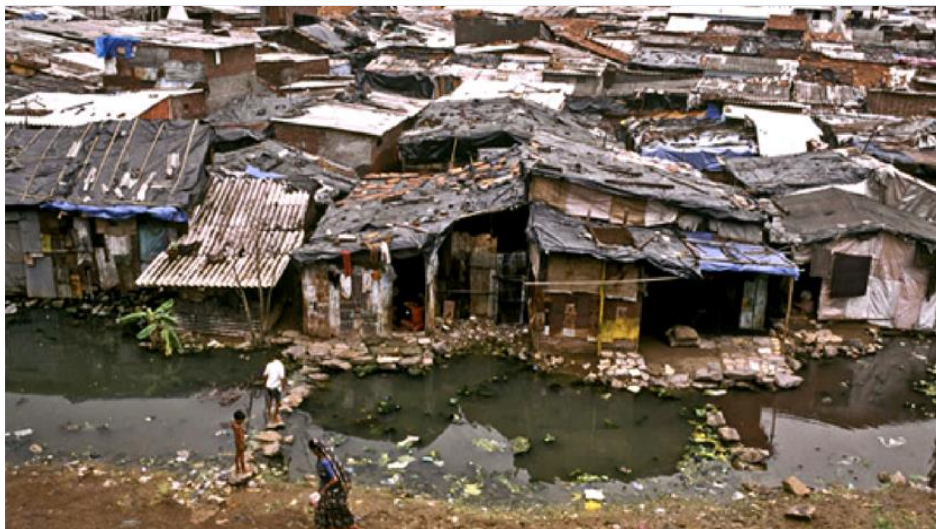
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Business Tues Nov 15, 2016 6:56am EST

Mexico poverty rate eased to 45.5 pct-development agency

MEXICO CITY, JULY 29 | BY LUC COHEN



REUTERS/AMADA MORALES

A new report published by the United Nations Development Agency states that Mexico has made progress in eradicating extreme poverty. Absolute poverty rates have fallen poverty rates in Mexico fell from 49.1 per cent in 2010 to 45.5 per cent in 2016. Although the relative poverty rate increased over the same period by 5%, largely reflecting increased income inequality.

According to the UN agency, Mexico has made good strides in breaking the poverty cycle and increasing GDP/GNI per capita.

Further, the new social safety-net – “Progressa” which covered 2 million rural families in its first year has been “successfully institutionalised” and is now accepted by Mexico’s main political parties. The programme is about to undergo a further expansion this year in both urban areas and in size. This now provides supplementary income to those working in Mexico’s large urban informal sector.

Literacy rates have improved and important increases have been made in the education of girls in both primary and secondary schools and women gaining university qualifications at Mexico’s universities.

EDITOR'S CHOICE



A dramatic week ahead



Facebook prohibits private gun sales on its site

PHOTOS OF THE WEEK



Our top photos from the past week. [Full Coverage](#) »

TRENDING ON REUTERS

IB Students show very elevated levels of stress compared to other students 1

Sarah Palin and Donald Trump announce birth of new daughter, Freedom Hilton 2

Queen Margaret College rocked by rampant student lethargy during mocks 3

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IB ECONOMICS PAPER 2 EXAMINATION QUESTIONS

QUESTION ONE

1. Define the following terms from the newspaper extract above, concerning economic growth and development in Mexico:
 - i. Poverty cycle. **[2 marks]**
 - ii. Relative poverty. **[2 marks]**
2. Sketch a diagram and use it to explain how the education of women can result in positive consumption externalities. **[4 marks]**
3. Contrast GDP per capita and GNI per capita. **[4 marks]**
4. Using information in the text and your knowledge of economics, examine the potential contributions of health and education to economic development. **[8 marks]**

QUESTION TWO

1. Define the following terms from the newspaper extract above, concerning economic growth and development in Mexico:
 - i. Urban informal sector. **[2 marks]**
 - ii. Absolute poverty. **[2 marks]**
2. Sketch a diagram and use it to explain how the public provision of education and health care can help Mexico escape from the poverty cycle. **[4 marks]**
3. Explain how a social welfare programme of transfer payments to the poorest members of society can assist Mexico's economic development. **[4 marks]**
4. To what extent are economically less developed countries similar to each other? **[8 marks]**