

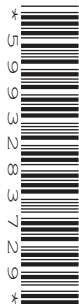


Cambridge International AS & A Level

ECONOMICS

9708/41

Paper 4 A Level Data Response and Essays

May/June 2024**2 hours**

You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS

- Answer **three** questions in total:
 - Section A: answer Question 1.
 - Section B: answer **one** question.
 - Section C: answer **one** question.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.
- You may use a calculator.
- You may answer with reference to any economy you have studied where relevant to the question.

INFORMATION

- The total mark for this paper is 60.
- The number of marks for each question or part question is shown in brackets [].

This document has **4** pages. Any blank pages are indicated.

1

3

- (a) Describe what is meant by the Gini coefficient and its possible range of values. [3]
- (b) Distinguish between absolute poverty and relative poverty. [3]
- (c) Consider whether Table 1.1 supports the conclusion that greater inequality of incomes is linked to poor literacy ratios of females to males **and** leads to greater poverty. [6]
- (d) Use **one** example of a supply-side policy and **one** example of a fiscal policy to assess how a government might be able to achieve greater equality in the distribution of income. [8]

Section B

Answer **one** question.

EITHER

- 2** The long-term equilibrium position in perfect competition is frequently used to illustrate efficient resource allocation in a free market economy.

Explain why this is so and consider what prevents efficiency from being achieved. [20]

OR

- 3** With the help of an indifference curve diagram, assess the extent to which a rise in price would affect the demand for a normal good differently from the demand for a Giffen good. [20]

Section C

Answer **one** question.

EITHER

- 4** In many countries increased government spending is regarded as a cause of economic growth. It is sensible, therefore, for a government to spend more to increase economic growth as it is good for its country.

To what extent do you agree with this argument? [20]

OR

- 5** National income statistics are often used as a measure of the standard of living.

Consider to what extent national income statistics can be used to compare the standard of living between low-income countries and high-income countries. [20]

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