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Level: Edexcel IGCSE Economics (4EC1)

Subject: Economics

Topic: IGCSE Economics

Type: Topic Question

2002



1583

Economics Edexcel IGCSE
To be used for all exam preparation for 2025+

ECONOMICS

IGCSE

Key skills

****Question 1:****

What is a primary aim of monetary policy?

- A. To increase government spending
- B. To manage inflation
- C. To decrease interest rates
- D. To control exchange rates

[1 mark]

****Question 2:****

Which of the following is an example of a fiscal policy tool?

- A. Setting interest rates
- B. Implementing tax cuts
- C. Regulating the money supply
- D. Influencing exchange rates

EXAM PAPERS PRACTICE [1 mark]

****Question 3:****

What is the main goal of reducing unemployment in an economy?

- A. To increase inflation
- B. To boost consumer spending
- C. To decrease government debt
- D. To increase interest rates

[1 mark]

****Question 4:****

Why might a government pursue policies to reduce inflation?

- A. To increase consumer purchasing power
- B. To decrease unemployment
- C. To lower interest rates
- D. To boost government revenue

[1 mark]

****Question 5:****

Which macroeconomic objective involves maintaining the value of money over time?

- A. Economic growth
- B. Balance of payments
- C. Price stability
- D. Full employment

[1 mark]

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****Question 6:****

What is a likely consequence of a government running a budget surplus?

- A. Increased national debt
- B. Higher interest rates
- C. Reduced government borrowing
- D. Increased inflation

[1 mark]

****Question 7:****

What might be a reason for a government to aim for a balance of payments surplus?

- A. To increase domestic investment
- B. To strengthen the national currency
- C. To reduce national debt
- D. To decrease export levels

[1 mark]

****Question 8:****

Which of the following is a possible result of high inflation?

- A. Increased consumer confidence
- B. Decreased purchasing power
- C. Lower interest rates
- D. Increased investment

EXAM PAPERS PRACTICE [1 mark]

****Question 9:****

What is the purpose of a government's economic growth policy?

- A. To stabilize prices
- B. To reduce the national debt
- C. To increase the production of goods and services
- D. To manage exchange rates

[1 mark]

****Question 10:****

How can government spending contribute to economic growth?

- A. By increasing tax rates
- B. By reducing interest rates
- C. By investing in infrastructure
- D. By decreasing the money supply

EXAM PAPERS PRACTICE [1 mark]

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