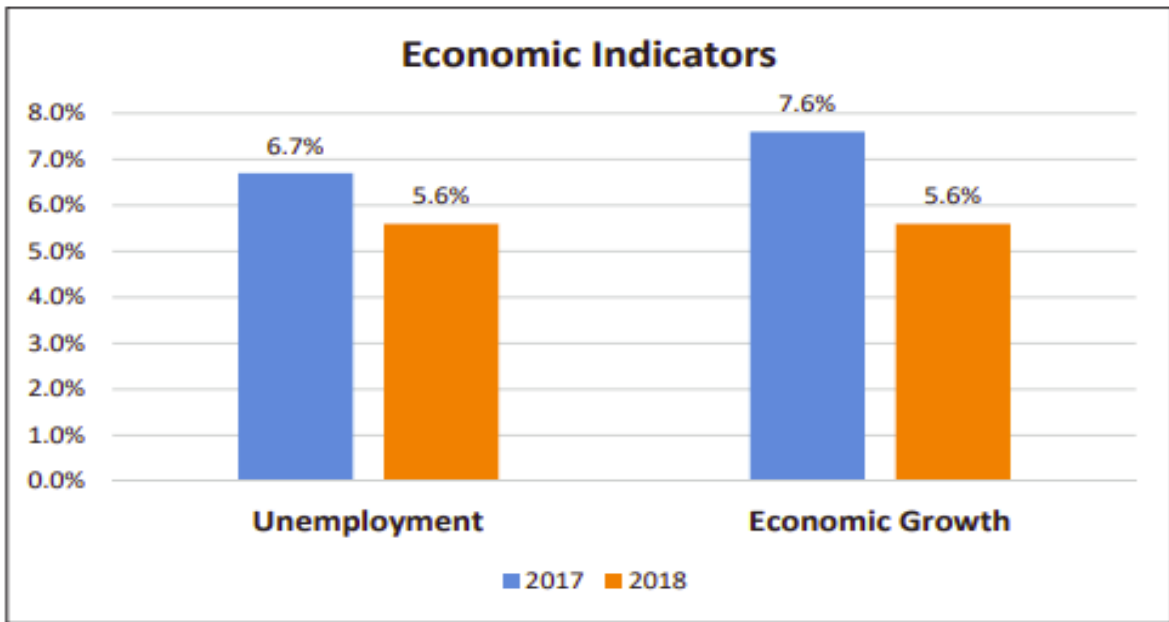


2019 - Past Exam Question

Question 18

(c) Given that Mary's husband John is unemployed, she is interested in finding out how the economy is doing. On the graph below, the economic indicators for unemployment and economic growth are shown for Ireland for 2017 and 2018.



(i) Indicate in each case whether the change in the indicators is a good or bad trend for the Irish Economy. Tick (✓) the correct box below.

Economic Indicator	Good Trend	Bad Trend
Unemployment	✓	
Economic Growth		✓

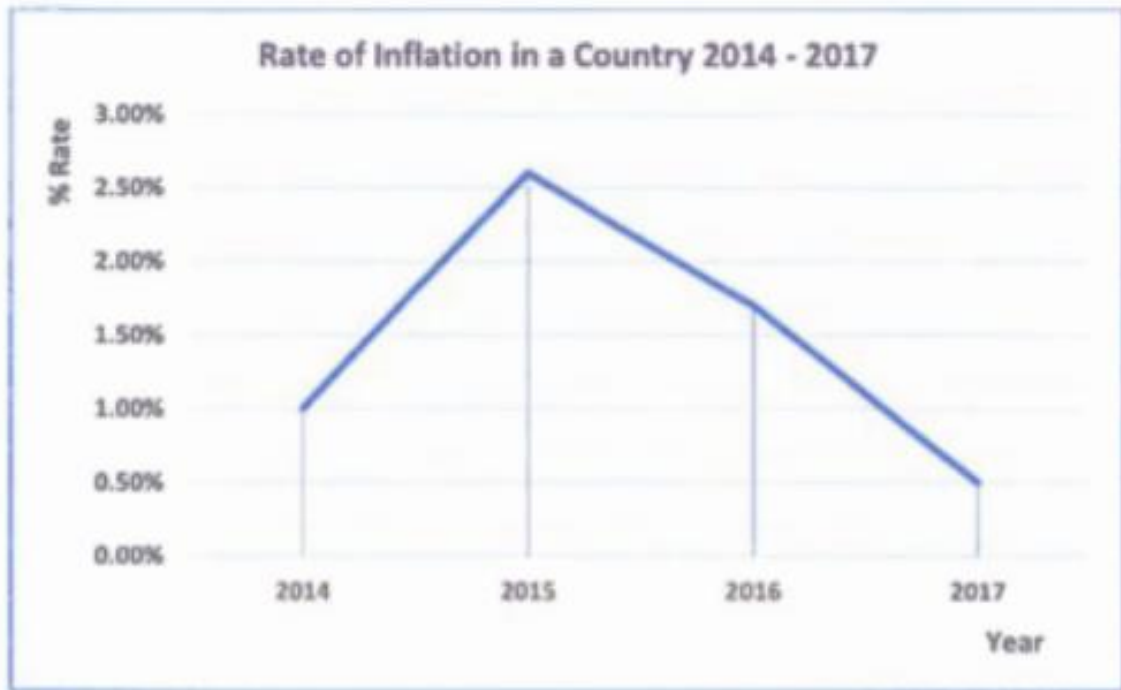
(ii) Explain the impact of the above trend in unemployment on individuals like John and on the economy.

Impact on individuals:
John will have more disposable income thus he will be able to have a higher standard of living and purchase luxury goods
Impact on the economy:
With ore people working the government will receive more income in the form of PAYE PRSI and USC. They will also reduce the government Expenditure as they will not have to pay as much in social welfare benefits

SEC - Sample Paper

Question 2

The rate of inflation in a country over four years is show in the graph below



Using the above information answer the following questions

(a) Which year has the highest rate of inflation

2015

(b) State one way in which a large increase in the rate of inflation may affect consumers in an economy

Inflation increases the price of goods and service. This will reduce the disposable income of consumers and they will have to cut back on spending and shop around for the best Value when buying goods and services