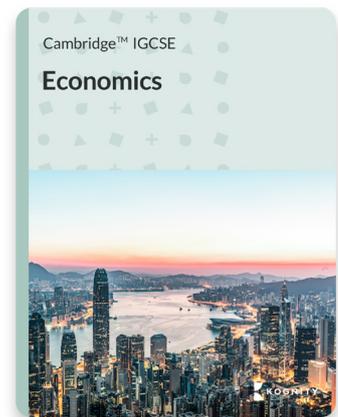


# IGCSE Economics

Our IGCSE Economics subject supports the full Cambridge IGCSE™ and O level Economics (0455/0987/2281) syllabus for the first examination from 2020.



## Key Features

### Activity

Analyse why the wages of workers in a particular occupation may rise.

» Hide solution

- In the labour market, a change to factors that influence the demand for labour or the supply of labour can bring about a change in wages.
- To answer this question we can consider the occupation of engineers. The labour market is a derived market, and if the demand for bridges or road building increases, then the demand for engineers will increase.
- This will shift the demand for labour to the right, resulting in a new market equilibrium at a higher wage and a higher quantity.
- Alternatively, as the working population in some countries like Japan is decreasing, this may actually mean that there is less supply of engineers, so the supply of labour shifts to the left and creates a higher wage in the market.

The inclusion of activity boxes encourage active learning, while study skill boxes promote reflection and self-management.

### Study skills

Remember that the principles of demand and supply apply to the labour market. The factors mentioned above shift either the demand or supply of labour. However, if the price of labour changes (for example by the government increasing the minimum wage), then neither curve will shift. In this case it will create excess supply of labour and the market will be in disequilibrium.

Embedded interactive content such as graphs, diagrams, illustrations, photos and videos add a visual perspective to the syllabus and can be found throughout all sections of Kognity's Economics.

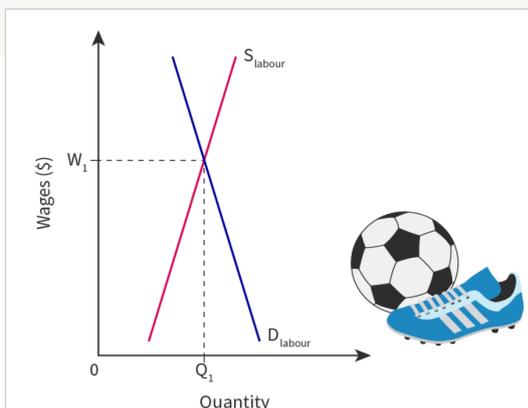


Figure 2. Wage determination for skilled footballers.



Figure 1. Lionel Messi salutes fans.

Credit: Getty Images Alex Caparros / Stringer

## Question preview

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Paper: 2 Marks: 30

### Source material: Cigarette smoking and public health issues in China

China is the largest consumer and producer of cigarettes in the world. They have a rapidly growing economy with a consequent improvement in their Human Development Index ranking. However, the country is facing challenges in public health due to its 350 million smokers. It is estimated that almost two million citizens die per annum due to illnesses related to cigarette smoking. These are made up of both smokers and non-smokers who suffer from passive smoking. The number of Chinese men who smoke far outnumbers those in other countries such as the USA and Russia. They also outnumber the proportion of women smokers in China. Only 2% of women in China smoke compared to 50% of the men.

Add Question

< Previous question

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Kognity's Economics contains a wide variety of global, up-to-date case studies for application of knowledge to real-life situations. These are supported by exam-style questions and model answers.

Kognity's Economics is written in clear language for international learners. Furthermore, it comes complete with an interactive glossary, which allows for students to read definitions within the text and explore the glossary in its entirety via a designated section of the book.

### Allocation of resources

A process in which a firm or government decides where scarce resources should be used in the production of goods or services. Resources are factors of production that are used to produce goods and services.

### Agricultural land

Land used to grow crops and raise livestock for use in goods and services.

### Allocative efficiency

When the economy is producing the optimal amount for a society, and resources are allocated to their optimal uses.

Add question

Difficulty	Topic	Type
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1.4



6.4



6.4



Questions within Kognity's Economics come complete with an easy, medium or hard rating. This allows for differentiated assignments and promotes teaching and learning to take place at each student's point of need.