

Growth and Development in Developing, Emerging and Developed Economies — Worksheet

Measures of economic development · constraints on growth and development · measures to promote growth and development

Name: _____

Class: _____

Date: _____

DEFINE primary product dependency · **EXPLAIN** what a change in one measure of development is likely to show · **CLASSIFY** a strategy as market-orientated, interventionist or another strategy · **CALCULATE** a health index of the HDI, and debt service as a percentage of export earnings · **ANALYSE** how corruption and overseas debt can constrain growth and development · **EXAMINE** the limitations of the HDI as a measure of living standards · **DISCUSS** the effects of a joint venture with a transnational company · **EVALUATE** how well microfinance schemes promote economic development

Sitting 1 — Topic practice

30 marks

MULTIPLE CHOICE Task 1 — Six questions on growth and development

6 marks

Choose one answer for each question.

1. Which of these is a limitation of the Human Development Index (HDI) when it is used to compare living standards between countries?

- A It measures only income, not health or education
- B It is an average, so it hides how evenly gains are shared
- C It cannot be calculated for developing countries
- D It does not include life expectancy

Answer:

2. Which of these best describes capital flight?

- A Donors stop giving aid to the country
- B The country's own residents move their savings abroad
- C The prices of machines and other capital goods fall
- D Old machines in factories stop working faster than new ones are bought

Answer:

3. A buffer stock scheme for coffee has a floor price of \$2.00 and a ceiling price of \$2.40 a kilogram. A very large harvest would make the price fall to \$1.50. What will the agency do?

- A Buy coffee to hold the price at the floor
- B Sell coffee from its store
- C Do nothing, because the price stays inside the band
- D Raise the ceiling price

Answer:

4. In the Lewis dual-sector model, what is surplus labour?
- A Farm workers whose wages are above factory wages
 - B Farm workers whose extra output is close to zero
 - C Farm workers whose jobs are in the modern sector
 - D Farm workers whose skills are in short supply

Answer:

5. What is the main difference between the International Monetary Fund (IMF) and the World Bank?
- A The IMF lends for a short time to countries with balance of payments problems
 - B The IMF pays for long-term development projects, such as dams and roads
 - C The IMF is owned by private shareholders
 - D The IMF lends only to developed economies

Answer:

6. On a production possibility frontier, a civil war that destroys factories and roads is best shown as:
- A an inward shift of the frontier
 - B a movement along the frontier
 - C an outward shift of the frontier
 - D a level of output beyond the frontier

Answer:

DEFINE Task 2 — The meaning of primary product dependency

2 marks

Define the term primary product dependency.

primary product dependency

EXPLAIN Task 3 — Fewer men working on farms in Teruna

4 marks

Teruna is a developing economy. Ten years ago, Teruna's percentage of adult male labour employed in agriculture was 70%. Today it is 50%. Nothing else is known.

Explain what the fall in Teruna's percentage of adult male labour employed in agriculture is likely to show about its economic development.

CLASSIFY**Task 4 — Strategies to promote growth and development in Halvra****8 marks**

Halvra is a developing economy. Each action below aims to promote growth and development in Halvra.

Write the type of strategy for each action.

Key: Market-orientated strategy · Interventionist strategy · Other strategy

#	What happens in Halvra	Type of strategy
1	Halvra's government removes its tariffs on imported machines and fabric.	
2	A state agency buys and stores cocoa when a large harvest would make the price fall below its floor price.	
3	Lenders give small loans to groups of poor traders who own no land.	
4	Richer countries that lent money to Halvra cancel half of its overseas debt.	
5	Halvra's government sells the state-owned telephone company to private buyers.	
6	Halvra's government makes secondary school free and pays to train more teachers.	
7	After a flood in Halvra, a richer country sends food, shelter and medicine as a gift.	
8	Halvra's central bank buys and sells its own currency to keep its value within a range.	

CALCULATE**Task 5 — The health index of the HDI in Sanvia****4 marks**

The Human Development Index (HDI) measures health with a health index. The health index = (life expectancy at birth – minimum value) ÷ (maximum value – minimum value). The minimum value is 20 years and the maximum value is 85 years. In Sanvia, life expectancy at birth was 59.0 years in 2005 and 65.5 years in 2025.

Calculate Sanvia's health index for 2005 and for 2025, to three decimal places.

Health index in 2005, to three decimal places

Workings

Answer:

Health index in 2025, to three decimal places

Workings

Answer:

Show your working for each step.

ANALYSE Task 6 — Corruption in Dorvia

6 marks

In Dorvia, a firm needs a licence from an official before it can build a factory. Officials often ask for a private payment before they give a licence. Last year, a contract to build a new road went to a minister's cousin at twice the usual cost.

Analyse the likely effect of corruption on economic growth in Dorvia.

Knowledge — name and explain one economic idea (2)

Application — use the facts about Dorvia (2)

Analysis — your chain of reasoning (2)

Sitting 2 — Mock section

54 marks

Source: Ombera

- 1 Ombera is a developing economy. Most of its people live in rural areas, and many of them grow cocoa beans on small farms. Cocoa beans are Ombera's largest export. Its other exports earned \$3.2bn in every year from 2021 to 2025. Figure 1 shows some of Ombera's figures.
- 2 In 2022, the world price of cocoa was high. That year, the government borrowed abroad in US dollars to build new roads. In 2023, large harvests in other cocoa-growing countries lowered the world price. Ombera's farms sold about the same tonnes of cocoa in each year.
- 3 Ombera's Human Development Index (HDI) rose from 0.540 in 2021 to 0.552 in 2025. In the capital, most homes have piped clean water. In rural areas, only 45% of people have access to clean water. Many workers are in the informal economy, where work is not officially recorded. Children now stay in school for more years, but many rural classes have no textbooks.

4 In 2026, the government plans a plant that will turn cocoa beans into cocoa butter and cocoa powder for export. Cocoa butter and cocoa powder sell for more than the beans they are made from. The plant will be a joint venture. A foreign chocolate maker, a transnational company (TNC), will own 60% of it, and a local firm will own 40%. The plant will buy its beans from Ombera's farms. The TNC will train local engineers to run the plant.

Figure 1: Ombera, 2021 to 2025

Year	World cocoa price index (2021 = 100)	Cocoa export earnings (\$bn)	Total export earnings (\$bn)	Debt service on overseas debt (\$bn)
2021	100	4.8	8.0	1.2
2022	125	6.0	9.2	1.2
2023	80	3.8	7.0	1.5
2024	70	3.4	6.6	1.7
2025	90	4.3	7.5	1.8

CALCULATE

Task 7 — Debt service and export earnings in 2025

2 marks

Using Figure 1, calculate Ombera's debt service in 2025 as a percentage of its total export earnings, to one decimal place.

Workings

Answer: %

EXPLAIN

Task 8 — The fall in export earnings in Ombera

4 marks

With reference to the source, explain why Ombera's total export earnings fell between 2022 and 2024.

ANALYSE**Task 9 — The rise in debt service in Ombera**

6 marks

With reference to the source, analyse two ways in which the rise in Ombera's debt service may constrain its economic growth and development.

Knowledge — name two economic ideas, one for each way, and explain each one (2)

Application — one fact from the source for each way (2)

Analysis — one chain for each way (2)

EXAMINE**Task 10 — The HDI and living standards in Ombera**

8 marks

With reference to the source, examine two limitations of the HDI as a measure of the change in Ombera's living standards since 2021.

Knowledge — name two limitations of the HDI, and say what each one means (2)

Application — one fact from the source for each limitation (2)

Analysis — one chain for each limitation (2)

Evaluation — for each limitation, say how much it matters here (2)

DISCUSS Task 11 — The cocoa-processing joint venture

14 marks

With reference to the source and your own knowledge, discuss the likely effects of the cocoa-processing joint venture on economic growth and development in Ombera.

Knowledge — one economic idea for a benefit of the joint venture and one for a cost (2)

Application — one fact from the source for the benefit and one for the cost (2)

Analysis — two chains, one for the benefit and one for the cost (4)

Evaluation — weigh the two chains, say what the effects depend on, and judge the overall effect (6)

In many developing economies, poor people cannot borrow from banks, because they own no land or house to offer as collateral.

Evaluate the likely effectiveness of microfinance schemes in promoting economic development in developing economies.

Knowledge — say what microfinance is, and name one way it can promote development and one way its effect is limited (3)

Application — use real countries or real examples (3)

Analysis — one chain for how microfinance promotes development and one for why its effect may be small (6)

Evaluation — weigh the two chains, say what the answer depends on, and judge (8)

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EVALUATE

Task 13 — Your judgement in one sentence *Not marked. One sentence: your judgement on Task 12.*

Write the one sentence that answers Task 12's question.



This sheet and its answers online: revvylearn.com/w/e4-growth-development

Answers and mark scheme: [revvylearn.com/w/e4-growth-development/answers](https://www.revvylearn.com/w/e4-growth-development/answers)

Marks and levels follow the IAL Economics paper; mark your work against the answers page - this is not Edexcel's marking.

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