

Chapter 35 – Class Exam

Name: _____

Score: _____/62

Answer all questions

Suggested Exam Length: 30 minutes

Student Input (Pre-exam)



How confident are you about this exam?

What topic am I worried about before I look at the exam? Why?

What strategies did you use to study for this exam? What was the best one?

Which activities in class did you most enjoy for this topic?

Student Reflection (Post-exam)



How happy were you with your result?

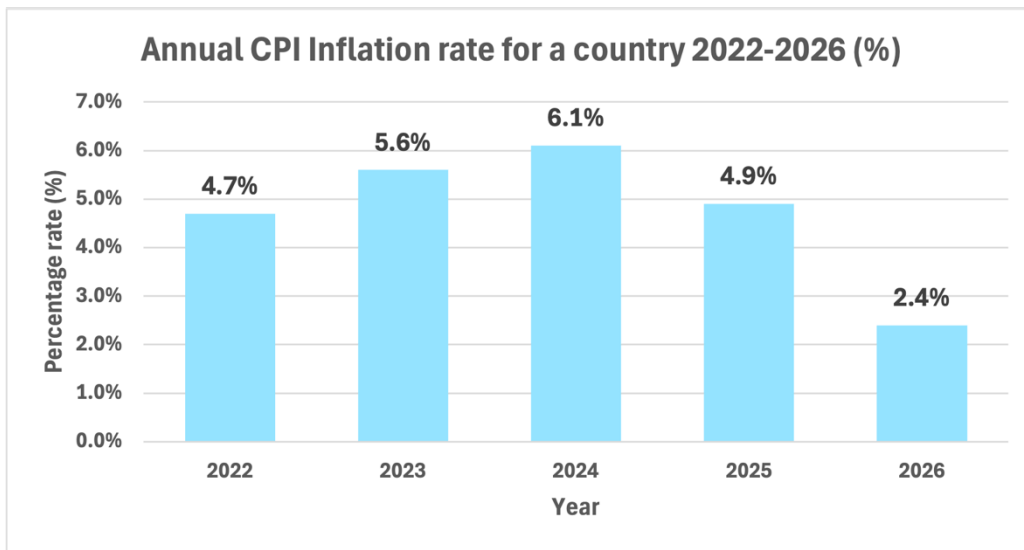
What were the hardest questions? Why?

Is there any exam technique I should change/use again for my next exam?

What topics should I look over again?



Q1



(a) Identify the year with the highest inflation rate

(b) Using data from the graph, explain what the bar chart show about changes in the inflation rate in this country from 2025 to 2026? Indicate if it is a good or bad trend for our economy.

(c) State the official measure of inflation in Ireland

C P I

(d) Explain one cause of inflation

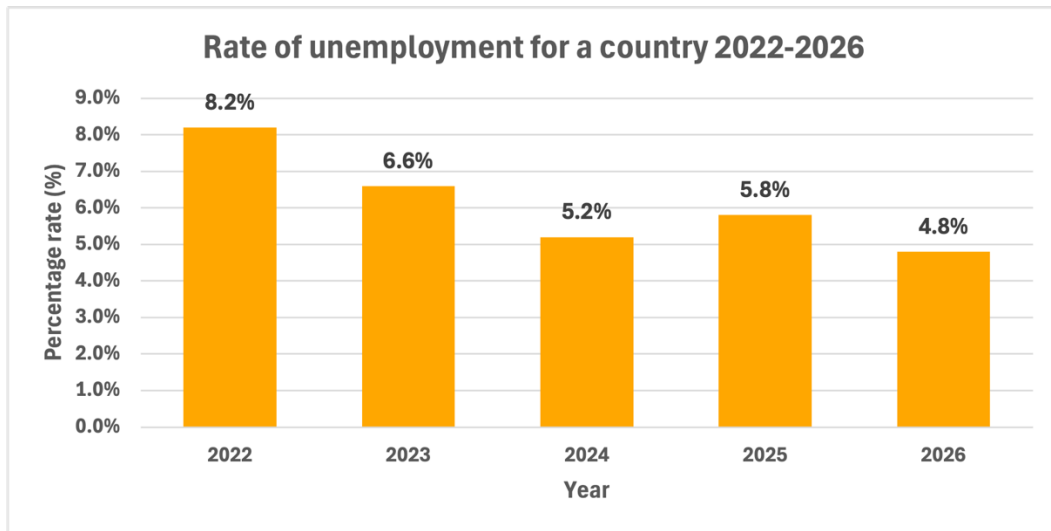
(e) The inflation rate increased from 4.6% to 5.8% from 2022 to 2023. Explain one impact a rising level of inflation can have on an individual **and** a business in your local area.

An individual:

A business in your local area:



Q2



(a) Based on the graph above, state whether the following statements are True or False.

Statement	TRUE	FALSE
The unemployment rate was highest in 2026		
The change in unemployment in 2023 from the previous year was a bad trend		
The unemployment rate was closest to full employment in 2022		
The unemployment rate in 2026 was lower than in 2023		

(b) Indicate whether the change in unemployment in 2025 from the previous year was a good or bad trend. Tick the correct box.

Good trend Bad trend

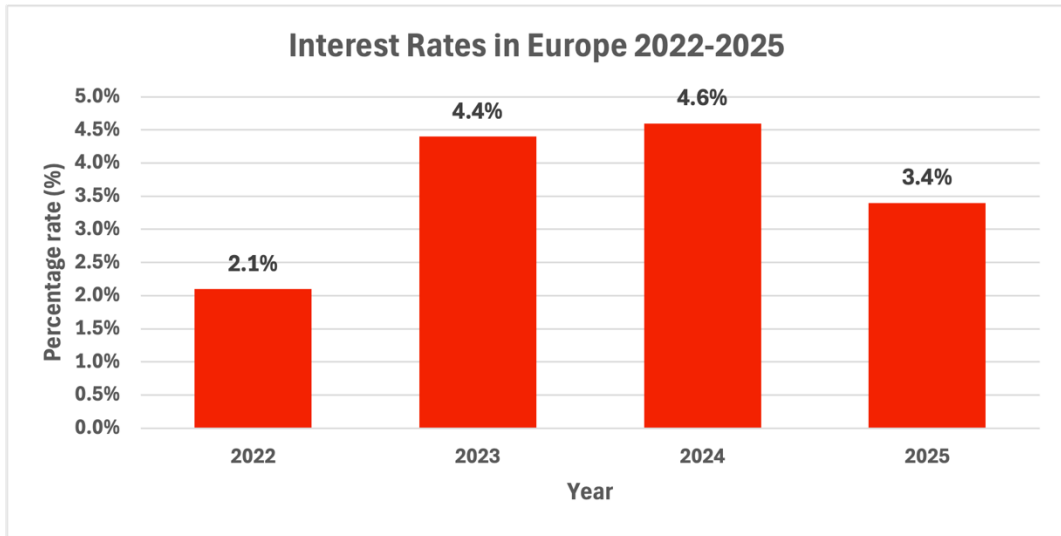
(c) Explain the impact of the trend in unemployment in 2025 from the previous year on:

- An individual
- The economy

An individual
The economy



Q3



(a) Place a ✓ to indicate whether each statement is TRUE or FALSE.

Statement	TRUE	FALSE
The lowest interest rate occurred in 2024		
Interest rates increased between 2024 and 2025		
The interest rate in 2025 was lower than in 2022		
The trend in interest rates from 2024 to 2025 encourages borrowing		

(b) Explain how higher interest rates affect savings

(c) Outline how lower interest rates affect borrowing.

(d) Explain one impact that lower interest rates will have on individuals and our economy

An individual
Our economy

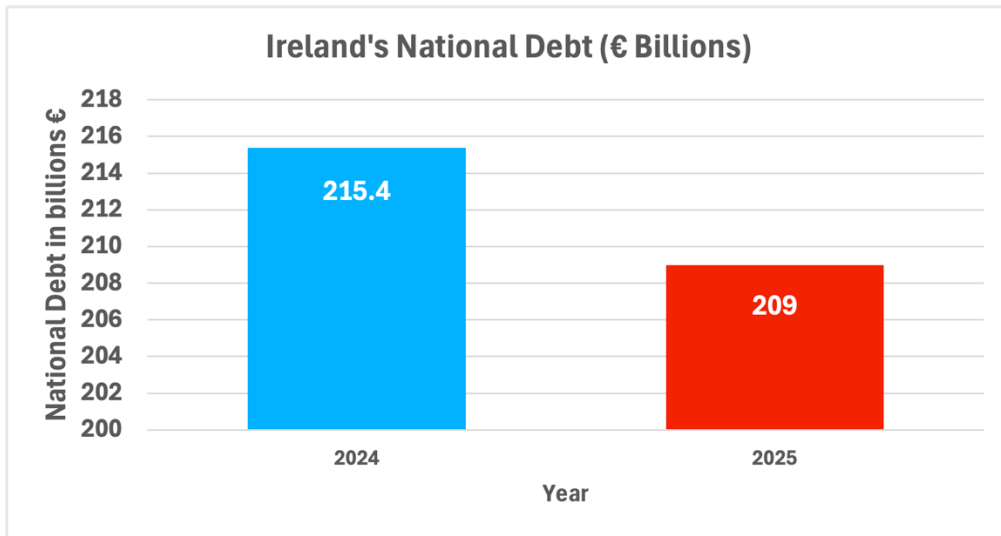


Q4 (a) Define what is meant by a country's 'national debt'.

(b) Choose the correct words from the options below to complete the body who manages Ireland's national debt on behalf of the Government.

Options: **Management** **Money** **Authority** **Agency**

The (NTMA) <u>National Treasury M</u>	<u>A</u>
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The graph above shows Ireland's national debt in 2024 and 2025.

(c) Identify the year with the highest level of national debt

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(d) Is the trend in Ireland's National Debt shown in the graph a good or bad trend for our economy? **Good Trend** **Bad Trend**

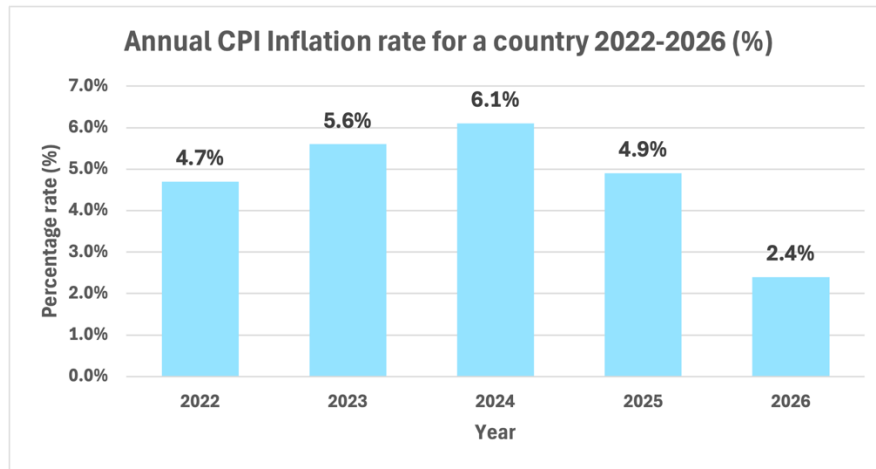
Give a reason for your answer

(e) Explain one impact that a fall in national debt may have on an our economy.



Marking Scheme Chapter 35 – 62 marks total

Q1



(a) Identify the year with the highest inflation rate

2024 3m

(b) Using data from the graph, explain what the bar chart show about changes in the inflation rate in this country from 2025 to 2026? Indicate if it is a good or bad trend for our economy.

Inflation decreased from 4.9% in 2025 to 2.4% in 2026, meaning the increase in price levels fell / which is a positive trend / this is a good trend as it moves inflation closer to 2%.

Note: Must use figures in explanation. 3m (1m trend, 2m good trend)

(c) State the official measure of inflation in Ireland

Consumer Price Index. 3m (3x1m)

(d) Explain one cause of inflation 3m (name the cause 1m explain how it causes inflation 2m)

When demand exceeds supply, scarcity occurs causing prices to rise. (Demand-pull)

When production costs increase, firms raise prices to maintain profit levels. (Cost-push)

When taxes such as VAT increase, businesses pass the cost onto consumers, increasing prices. (Government induced)

(e) The inflation rate increased from 4.6% to 5.8% from 2022 to 2023. Explain one impact a rising level of inflation can have on an individual **and** a business in your local area.

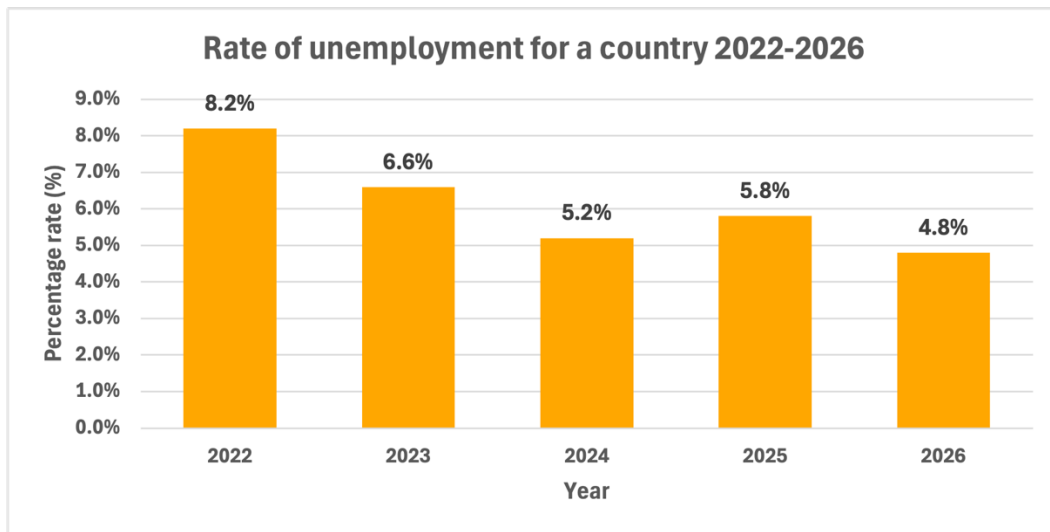
6m (2@3m, 2m for impact, 1m for showing the effect)

An individual: Rising inflation reduces purchasing power 2m meaning goods become more expensive, leading to a lower standard of living 2m.

A business in your local area: Higher costs reduce profit margins 2m, which may force the business to increase prices becoming less competitive 2m.



Q2



(a) Based on the graph above, state whether the following statements are True or False.

Statement	TRUE	FALSE
The unemployment rate was highest in 2026		FALSE
The change in unemployment in 2023 from the previous year was a bad trend		FALSE
The unemployment rate was closest to full employment in 2022		FALSE
The unemployment rate in 2026 was lower than in 2023	TRUE	

8m (4 @ 2m)

(b) Indicate whether the change in unemployment in 2025 from the previous year was a good or bad trend. Tick the correct box.

Good trend Bad trend 2m

(c) Explain the impact of the trend in unemployment in 2025 from the previous year on:

- An individual
- The economy

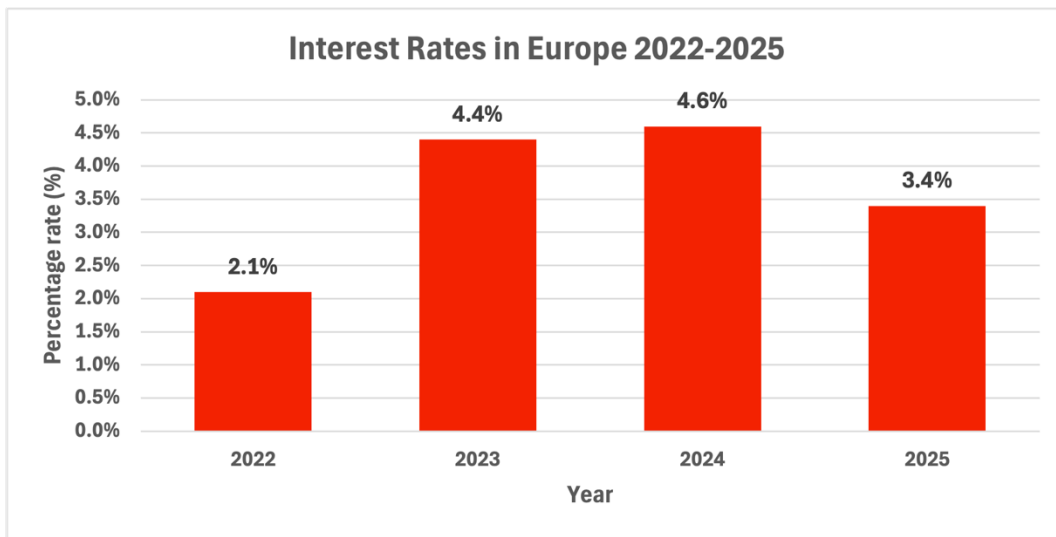
6m (2@3m, 2m for impact, 1m for showing the effect) O.F. if they indicate it as a good trend and answer correctly for that

More people lose their jobs, so they are no longer earning any income. Their **disposable income falls, leading to a lower standard of living.**

More people are unemployed and not earning an income, so the **government must pay more Jobseeker's Allowance, increasing government spending.**



Q3



(a) Place a ✓ to indicate whether each statement is TRUE or FALSE.

Statement	TRUE	FALSE
The lowest interest rate occurred in 2024		FALSE
Interest rates increased between 2024 and 2025		FALSE
The interest rate in 2025 was lower than in 2022		FALSE
The trend in interest rates from 2024 to 2025 encourages borrowing	TRUE	

8m (4 @ 2m)

(b) Explain how higher interest rates affect savings

Higher interest rates increase the reward for saving. This encourage people to save more money.

3m (2+1)

(c) Outline how lower interest rates affect borrowing.

Lower interest rates make borrowing cheaper. Lower borrowing costs encourage people to take out more loans such as car loans or mortgages.

3m (2+1)

(d) Explain one impact that lower interest rates will have on individuals and our economy

An individual: Interest rates fall, so the cost of borrowing decreases. Loan repayments become lower, which increases a person's disposable income.

The economy: Lower interest rates encourage more borrowing which will increase spending, causing economic growth / higher government revenue in VAT.

6m (2@3m, 2m for impact, 1m for showing the effect)



Q4 (a) Define what is meant by a country's 'national debt'.

National debt is the total amount of money the government owes due to borrowing.

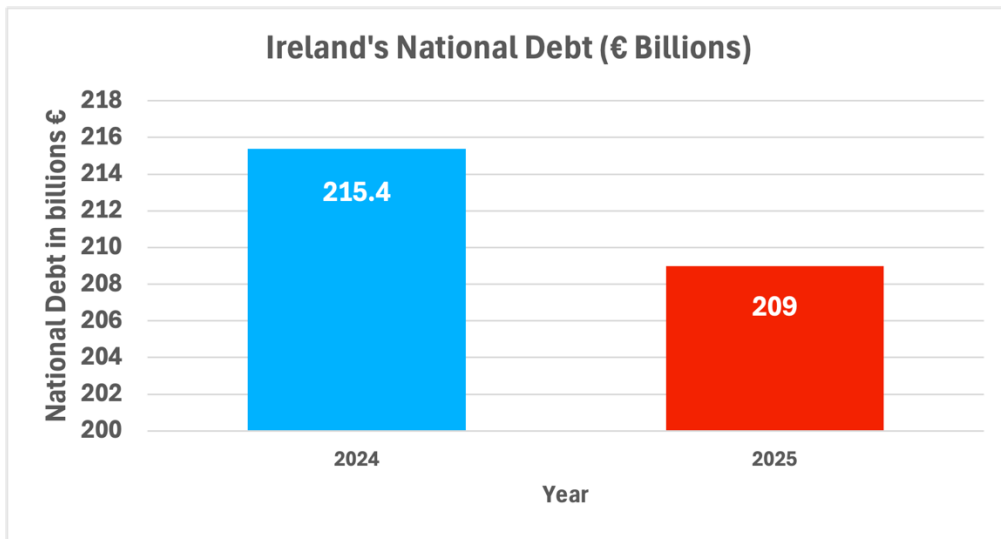
2m

(b) Choose the correct words from the options below to complete the body who manages Ireland's national debt on behalf of the Government.

Options: **Management** **Money** **Authority** **Agency**

The (NTMA) National Treasury M _____ A _____.

2m



The graph above shows Ireland's national debt in 2024 and 2025.

(c) Identify the year with the highest level of national debt

2024

2m

(d) Is the trend in Ireland's National Debt shown in the graph a good or bad trend for our economy? **Good Trend 2m** **Bad Trend**

Give a reason for your answer **2m**

National Debt decreased from €215.4bn to €209bn, so the total amount of money the government owes has fallen. This reduces the cost of paying interest/future repayments.

(e) Explain one impact that a fall in national debt may have on an our economy.

3m - 2m for impact, 1m for showing the effect

Government borrowing falls, so the government pays less interest on its debt. They will have more government revenue left each year to spend on improving public services such as healthcare e.g. building a new hospital / employing more doctors.

