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Susan Grant  
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# Cambridge IGCSE® Economics Workbook

**Susan Grant**



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4381/4 Ansari Road, Daryaganj, Delhi 110002, India

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[www.cambridge.org](http://www.cambridge.org)

Information on this title: [www.cambridge.org/9781107612310](http://www.cambridge.org/9781107612310)

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First published 2014

Printed in India by

*A catalogue record for this publication is available from the British Library*

ISBN 978-1-107-61231-0 Paperback

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# Introduction

This workbook is designed to help you develop your understanding of economics, to build up your skills and to enable you to assess your progress.

The book can be used in conjunction with the Cambridge IGCSE Economics textbook I have written but may also be used independently. It is divided into eight sections which correspond to the sections of the syllabus and the textbook. Each section, in turn, is divided into ten parts.

The first part asks you to match terms with the appropriate definitions. Some of the terms and definitions are quite similar so you need to take care. Undertaking this exercise should reinforce your knowledge of the terms and emphasise to you the need for precision.

In the second part you have to fill in missing words. This requires you to process what you have learned to find words that ensure the sentences make economic sense.

One of the skills an economist needs is the ability to undertake calculations. The third part provides you with the opportunity to build up your numerical skills.

Parts 4 and 5 focus on two other skills of an economist. These are the ability to interpret and draw diagrams. The diagrams selected are the key ones associated with the different sections of the syllabus.

Part 6 will help you to both test your understanding and to develop your multiple choice technique. There is a total of 150 multiple choice questions in the book.

In Part 7 you can practice your ability to process and interpret economic terms by seeking to identify similarities in and differences between terms.

Part 8 involves you in producing longer answers and gives you the opportunity to interpret economic information and apply your knowledge to current, real world issues.

Part 9 provides structured questions which require longer written answers. These seek to develop the key skill of writing in a logical and lucid manner.

The final part, Part 10, is called homework assignments. These are in a similar format to the data questions in Part 8 but some require rather more depth and a number draw on a number of aspects of the syllabus. Of course, you can use any of the parts for homework assignments.

You can tackle a section of the book when you have completed that section of the syllabus or you can choose to work through all the sections towards the end of your course.

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As with the accompanying textbook, this book seeks to cover all the topics in the syllabus and to provide you with additional concepts to strengthen your understanding and the quality of the answers you can provide. These additional concepts are:

Allocative and productive efficiency (pages 8, 15, 16 and 41)

Cost benefit analysis (pages 8, 15 and 17)

Average propensity to consume and average propensity to save (pages 24 and 28)

Aggregate demand and aggregate supply analysis (includes pages 49 and 51)

Velocity of circulation (page 67)

Lorenz curve (pages 74, 77 and 79)

Positive and preventive checks (page 81)

Absolute and comparative advantage (pages 87, 89, 91 and 92)

Terms of trade (pages 87, 90, 92 and 93)

Capital and financial accounts of the balance of payments (pages 91 and 94)

Expenditure reducing and expenditure switching policies (page 94).

I hope you find the tasks in this book both interesting and useful. Studying economics can be fascinating and can provide benefits both to you and to society. Alfred Marshall, a famous British economist, wrote in 1885 that his objective was to send economists “out into the world with cool heads but warm hearts, willing to give some at least of their best to grappling with the suffering around them; resolved not to rest content till they have done what in them lies to discover how far it is possible to open up to all the material means of a refined and noble life.” Much has happened since Marshall wrote but this still remains a worthy objective.