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## Worksheet 8: Static and dynamic analysis

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- 1 a) Analyse why one country may have higher living standards than another country. \_\_\_\_\_  
b) Analyse what can increase the living standards in a country. \_\_\_\_\_
- 2 a) Analyse why a country may produce more capital than consumer goods. \_\_\_\_\_  
b) Analyse why a country may increase its output of capital goods. \_\_\_\_\_
- 3 a) Analyse why the demand for cars may increase. \_\_\_\_\_  
b) Analyse why the demand for cars in a country may be higher in another country. \_\_\_\_\_
- 4 a) Analyse why rents may be higher in the capital city than in other cities in the country. \_\_\_\_\_  
b) Analyse what can cause rents in the capital city of a country to increase. \_\_\_\_\_
- 5 a) Analyse why the PED of short-haul flights may be higher than the PED of long-haul flights.  
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b) Analyse why the PED of short-haul flights may change. \_\_\_\_\_
- 6 a) Analyse why the demand for demerit goods in a country may be higher than in another country.  
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b) Analyse why the demand for demerit goods in a country may fall. \_\_\_\_\_
- 7 a) Analyse why a commercial bank may have more employees than its competitors. \_\_\_\_\_  
b) Analyse why a commercial bank may reduce the number of employees working for the  
bank. \_\_\_\_\_
- 8 a) Analyse why the wages of doctors may increase in future. \_\_\_\_\_  
b) Analyse why doctors may receive higher wages than secretaries. \_\_\_\_\_
- 9 a) Analyse why a trade union of doctors may have more bargaining power than a trade union of factory workers.  
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b) Analyse why the bargaining power of a trade union of doctors may fall. \_\_\_\_\_



- 10 a) Analyse why a firm may use more capital in proportion to labour. \_\_\_\_\_  
b) Analyse why a firm may decide to become more capital-intensive. \_\_\_\_\_
- 11 a) Analyse why the government of one country may have a larger budget than another country's government.  
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b) Analyse why the government's budget may increase. \_\_\_\_\_
- 12 a) Analyse why a government may decide to privatise some sectors more rapidly. \_\_\_\_\_  
b) Analyse why a country may have a larger private sector than another country. \_\_\_\_\_
- 13 a) Analyse what can increase the rate of GDP growth in a country. \_\_\_\_\_  
b) Analyse why a country may have a higher GDP than another country. \_\_\_\_\_
- 14 a) Analyse why a country may have a larger number of unemployed workers than another country.  
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b) Analyse what can increase the unemployment rate in a country. \_\_\_\_\_
- 15 a) Analyse why education in a country may become more expensive. \_\_\_\_\_  
b) Analyse why education in one country may be more expensive than education in another country.  
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- 16 a) Analyse the effects of a high birth rate on a country's economy. \_\_\_\_\_  
b) Analyse the effects of a rise in birth rates on a country's economy. \_\_\_\_\_
- 17 a) Analyse the effects of a change in the importance of economic sectors on a country's economy.  
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b) Analyse the effects of a large proportion of tertiary sector activity to a country's economy. \_\_\_\_\_
- 18 a) Analyse the effects of a tariff on a country's economy. \_\_\_\_\_  
b) Analyse the effects of increased protectionism on a country's economy. \_\_\_\_\_



- 19 a) Analyse the effects of the entry of a MNC on a country's economy. \_\_\_\_\_
- b) Analyse why a MNC might decide to produce in a different country. \_\_\_\_\_
- 20 a) Analyse the consequences of a current account deficit. \_\_\_\_\_
- b) Analyse the consequences of a decrease in a country's current account deficit. \_\_\_\_\_