

## **Definitions that appeared since 2005 HL & SL**

Define the following terms indicated in bold in the text

### **Specimen Paper SL**

- |                             |                              |
|-----------------------------|------------------------------|
| (i) opportunity cost        | (vi) current account deficit |
| (ii) negative externalities | (vii) tariffs                |
| (iii) inflation             | (viii) import-substitution   |
| (iv) depreciation           | (ix) budget deficits         |
| (v) unemployment rate       | (x) commodities              |

### **Specimen Paper HL**

- |                             |                           |
|-----------------------------|---------------------------|
| (i) minimum price scheme    | (vi) fiscal policy        |
| (ii) non-price competition  | (vii) devaluation         |
| (iii) opportunity cost      | (viii) inflation          |
| (iv) negative externalities | (ix) multilateral aid     |
| (v) current account surplus | (x) comparative advantage |

### **May 2005 HL**

- |                               |                          |
|-------------------------------|--------------------------|
| (i) economic development      | (vi) regressive taxes    |
| (ii) indebtedness             | (vii) GDP                |
| (iii) current account deficit | (viii) aggregate demand  |
| (iv) subsidy                  | (ix) collusive oligopoly |
| (v) economic growth           | (x) minimum prices       |

### **May 2005 SL**

- |                        |                                  |
|------------------------|----------------------------------|
| (i) demand             | (vi) currency appreciation       |
| (ii) oligopoly         | (vii) floating the exchange rate |
| (iii) real GDP         | (viii) official aid              |
| (iv) unemployment rate | (ix) infrastructure              |
| (v) economic growth    | (x) poverty cycle                |

### **November 2005 SL**

- |                                 |                                |
|---------------------------------|--------------------------------|
| (i) economic development        | (vi) current account           |
| (ii) Gross Domestic Product     | (vii) monopolistic competition |
| (iii) maximum price             | (viii) recession               |
| (iv) cross elasticity of demand | (ix) exchange rate             |
| (v) unemployment rate           | (x) depreciation               |

### **November 2005 HL**

- |                                 |                           |
|---------------------------------|---------------------------|
| (i) maximum price               | (vi) Inflation            |
| (ii) cross elasticity of demand | (vii) Recession           |
| (iii) current account           | (viii) economies of scale |
| (iv) GDP per capita             | (ix) dumping              |
| (v) Investment                  | (x) comparative advantage |

**May 2006 SL**

- |                             |                                |
|-----------------------------|--------------------------------|
| (i) market economy          | (vi) indirect taxation         |
| (ii) supply-side policies   | (vii) economic growth          |
| (iii) opportunity costs     | (viii) current account balance |
| (iv) Gross Domestic Product | (ix) World Trade Organization  |
| (v) negative externalities  | (x) dumping                    |

**May 2006 HL**

- |                                 |                                 |
|---------------------------------|---------------------------------|
| (i) price discrimination        | (vi) exchange rate appreciation |
| (ii) multinational corporations | (vii) productively efficient    |
| (iii) unemployment rate         | (viii) anti-dumping             |
| (iv) business/trade cycle       | (ix) free good                  |
| (v) interest rates              | (x) sustainable development     |

**November 2006 SL**

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|----------------------------|-------------------------------------|
| (i) negative externalities | (vi) current account surplus        |
| (ii) demand                | (vii) dumping                       |
| (iii) monetary policy      | (viii) deteriorating terms of trade |
| (iv) consumption           | (ix) foreign direct investment      |
| (v) economic growth        | (x) investment                      |

**November 2006 HL**

- |                              |                                     |
|------------------------------|-------------------------------------|
| (i) negative externalities   | (vi) appreciation                   |
| (ii) tradeable permits       | (vii) dumping                       |
| (iii) GDP                    | (viii) deteriorating terms of trade |
| (iv) current account deficit | (ix) foreign direct investment      |
| (v) managed exchange rates   | (x) investment                      |

**May 2007 HL**

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|------------------------------|-----------------------------|
| (i) real output              | (vi) recession              |
| (ii) trade cycle             | (vii) free trade            |
| (iii) negative externalities | (viii) developing countries |
| (iv) resource allocation     | (ix) indebtedness           |
| (v) real wages               | (x) current account         |

**May 2007 SL**

- |                                  |                       |
|----------------------------------|-----------------------|
| (i) centrally planned economy    | (vi) progressive tax  |
| (ii) foreign direct investment   | (vii) free trade area |
| (iii) price discrimination       | (viii) subsidies      |
| (iv) income elasticity of demand | (ix) informal markets |
| (v) Gini Coefficient             | (x) property rights   |

**Nov 2007 HL**

- |                              |                              |
|------------------------------|------------------------------|
| (i) economic growth          | (vi) normal profit           |
| (ii) sustainable development | (vii) inflation              |
| (iii) demand                 | (viii) supply-side policies. |
| (iv) opportunity cost        | (ix) recession               |
| (v) quotas                   | (x) consumption              |

**Nov 2007 SL**

- |                              |                           |
|------------------------------|---------------------------|
| (i) economic growth          | (vi) depreciation         |
| (ii) sustainable development | (vii) fiscal policy       |
| (iii) demand                 | (viii) unemployment rate. |
| (iv) opportunity cost        | (ix) Wages                |
| (v) monetary policy          | (x) anti-dumping          |

**May 2008 HL**

- |                               |                         |
|-------------------------------|-------------------------|
| (i) equilibrium price         | (vi) inflationary gap   |
| (ii) allocative efficiency    | (vii) indirect taxation |
| (iii) structural unemployment | (viii) crowding out     |
| (iv) average costs            | (ix) tied aid           |
| (v) nominal                   | (x) infrastructure      |

**May 2008 SL**

- |                                |                             |
|--------------------------------|-----------------------------|
| (i) merit goods                | (vi) infrastructure         |
| (ii) negative externalities    | (vii) currency appreciation |
| (iii) inflation                | (viii) monetary policy      |
| (iv) foreign currency reserves | (ix) The World Bank         |
| (v) inward-oriented policies   | (x) multinational company   |

**Nov 2008 HL**

- |                               |                                      |
|-------------------------------|--------------------------------------|
| (i) abnormal profits          | (vi) income elasticity of demand     |
| (ii) product differentiation  | (vii) removed for copyright reasons  |
| (iii) current account deficit | (viii) removed for copyright reasons |
| (iv) multiplier               | (ix) infrastructure                  |
| (v) subsidies                 | (x) investment                       |

**Nov 2008 SL**

- |                                 |                                    |
|---------------------------------|------------------------------------|
| (i) indirect taxes              | (vi) interest rates                |
| (ii) price elasticity of demand | (vii) subsidies                    |
| (iii) quotas                    | (viii) income elasticity of demand |
| (iv) inflation                  | (ix) infrastructure                |
| (v) current account deficit     | (x) investment                     |

**May 2009 HL**

- |                                 |                           |
|---------------------------------|---------------------------|
| (i) infrastructure              | (vi) oligopoly            |
| (ii) cross-elasticity of demand | (vii) import substitution |
| (iii) market                    | (viii) real GDP           |
| (iv) normal profit              | (ix) human resources      |
| (v) structural unemployment     | (x) investment            |

**May 2009 SL**

- |                               |                                  |
|-------------------------------|----------------------------------|
| (i) supply                    | (vi) aggregate demand            |
| (ii) unemployment             | (vii) tariff                     |
| (iii) structural unemployment | (viii) foreign direct investment |
| (iv) oligopoly                | (ix) economic growth             |
| (v) factors of production     | (x) quotas                       |

**November 2009 HL**

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|------------------------|---------------------------------|
| (i) economies of scale | (vi) current account surplus    |
| (ii) investment        | (vii) foreign direct investment |
| (iii) consumption      | (viii) WTO                      |
| (iv) unemployment rate | (ix) infrastructure             |
| (v) monetary policy    | (x) minimum price               |

**November 2009 SL**

- |                     |                              |
|---------------------|------------------------------|
| (i) market          | (vi) unemployment rate       |
| (ii) fiscal policy  | (vii) gross domestic product |
| (iii) inflation     | (viii) NGOs                  |
| (iv) interest rates | (ix) real price              |
| (v) consumption     | (x) supply                   |

**May 2010 HL**

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|-------------------------|--------------------------------|
| (i) collusive oligopoly | (vi) foreign direct investment |
| (ii) abnormal profits   | (vii) sustainable development  |
| (iii) indirect taxes    | (viii) free trade              |
| (iv) resources          | (ix) world bank                |
| (v) exchange rate       | (x) free market                |

**May 2010 SL**

- |                                 |                              |
|---------------------------------|------------------------------|
| (i) opportunity cost            | (vi) Gross Domestic Product  |
| (ii) investment                 | (vii) economic growth        |
| (iii) foreign direct investment | (viii) interest rates        |
| (iv) inflation                  | (ix) sustainable development |
| (v) unemployment rate           | (x) free trade               |

**November 2010 HL**

- |                    |                     |
|--------------------|---------------------|
| (i) demand         | (vi) consumption    |
| (ii) cartel        | (vii) dumping       |
| (iii) market       | (viii) tariff       |
| (iv) total revenue | (ix) infrastructure |
| (v) depreciation   | (x) bilateral aid   |

**November 2010 HL**

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|------------------------------|--------------------------------|
| (i) indirect tax             | (vi) monetary policy           |
| (ii) investment              | (vii) quotas                   |
| (iii) economic growth        | (viii) current account surplus |
| (iv) sustainable development | (ix) infrastructure            |
| (v) entrepreneurship         | (x) bilateral aid              |