

## 2.1 The level of overall economic activity

### HL1 + SL1

#### 2015 May SL

3. (a) Explain the effect of a rise in saving and a fall in investment on the circular flow of income of an economy. [10]

(b) Discuss the view that an economy will always return to the full employment equilibrium level of output in the long run. [15]  
M15/3/ECONO/SP1/ENG/TZ2/XX

#### 2014 May SL

3. (a) Explain the income, output and expenditure methods used to measure real gross domestic product (GDP). [10 marks]

(b) Discuss the usefulness of real GDP per capita as a method of measuring the living standards of a country's population. [15 marks]

M14/3/ECONO/SP1/ENG/TZ2/XX

### SL2 + HL3

**HL 3 2009-May**

### HL2

**HL2 2009-May**