

## Short Answer Questions

### Chapter 20.

1. Using at least two examples, explain the meaning of the term ‘income distribution’.
2. What are the key questions which have to be asked in relation to the measurement of inequality?
3. Examine two possible reasons which complicate the measurement of inequality.
4. Explain the difference between the poverty line and the poverty rate.
5. Poverty is said to be a relative concept. What does this mean? Explain your answer using examples.
6. Use an example to explain the concept of diminishing marginal utility.
7. How does the maximin criterion help justify the redistribution of income in a society?
8. Would you agree with the view that increasing the equality of opportunity for individuals in a society is a fairer way of reducing inequality than redistributing income? Explain your answer.
9. To what extent does a minimum wage law in a country help to reduce poverty? Explain your answer.
10. Are providing incentives to work a more effective method of reducing poverty and inequality than welfare payments? Justify your answer.