

** Teacher's version P.39-43 (2.1: The shares / percentages of total income earned by the highest-income group and the lowest-income group - Activity 3)*

Assignment 2

Q.1 The following table shows the percentages of total income earned by different income groups of Country X in 1990 and 2000 respectively.

Country X	1990	2000
Income group/ Quintile	Percentage of the total income (%)	Percentage of the total income (%)
Lowest 20%	5	3
Second 20%	9	8
Third 20%	15	15
Fourth 20%	21	22
Highest 20%	_____	_____

- Determine the percentage of the income earned by the highest-income households.
- Explain how the income inequality changed.

The income inequality of this country _____ because the percentage of total income earned by the high-income group _____, while the percentage of total income earned by the low-income group _____.

Q.2 The following table shows the percentages of total income earned by different income groups of Country Y in 1995 and 2005 respectively.

Country Y	1995	2005
Income group/ Quintile	Percentage of the total income (%)	percentage of the total income (%)
Lowest 20%		
Second 20%	10	11
Third 20%	15	16
Fourth 20%	22	20
Highest 20%	49	49

- Determine the percentage of income earned by the lowest-income groups.
- Explain how the income inequality changed.

Unit 2 Measuring Income Inequality

The income inequality of this country _____ because the percentage of total income earned by the lower-income groups (the second and the third quintiles)

_____, while the _____

Q.3 The lowest-income group of a country earns more than they did ten years ago. Is it necessarily true that the income distribution of this country becomes more even? Please explain. (For more able students)
