INCOME INEQUALITY AND INCOME REDISTRIBUTION

TEST JEZELF

1 What is meant by income?

A. The total value of all a person's possessions

B. The remuneration made available to the owners of the factors of production

C. The difference between assets and liabilities

D. Only the wage or salary a person receives

2 Which remuneration belongs to the production factor labour?

A. Interest

B. Dividend

C. Rent

D. Wage or salary

3 What is net wealth?

A. The difference between assets and liabilities

B. The total value of annual income

C. The sum of labour income and capital income

D. Income minus taxes

4 What does personal income distribution indicate?

A. How national income is distributed across the factors of production

B. How companies distribute their profits

C. How national income is distributed among the population

D. How taxes are distributed by the government

5 What is a decile?

A. 1% of all households classified according to income

B. 5% of all households classified according to income

C. 10% of all households classified according to income

D. 20% of all households classified according to income

6 What does a Gini coefficient of 0 mean?

A. There is total income inequality

B. Incomes are distributed completely equally

C. One family receives all the income

D. There is relatively high income inequality

7 What does a Gini coefficient close to 1 indicate?

A. Relatively high income inequality

B. Complete income equality

C. Everyone has exactly the same income

D. Relatively low income inequality

8 Which statement about the Lorenz curve is correct?

A. It shows the average income of a country

B. It shows the actual income distribution

C. It shows the income of the richest 10%

D. It shows the evolution of wages over time

9 What does the Pareto principle mean (in the context of income inequality)?

A. 50% of the population represents 50% of income

B. 10% of the population represents 90% of income

C. 20% of the population represents 80% of income

D. All incomes are distributed equally

10 Which of the following is NOT a possible cause of income differences?

A. Education

B. Gender

C. Wealth

D. Height

11 Which of the following is NOT mentioned as a reason for reducing income inequality?

A. Social justice

B. Better climate

C. Health and well-being

D. Social stability and cohesion

12 How can compulsory education help reduce income inequality?

A. It guarantees that everyone will earn the same income

B. It reduces the amount of taxes paid by low-income families

C. It increases the chances of finding better-paid jobs

D. It replaces the need for social security

13 Why can integration programmes for foreign-language newcomers reduce income inequality?

A. They help newcomers participate in social and economic life

B. They exempt newcomers from income taxes

C. They provide newcomers with a guaranteed high salary

D. They prevent newcomers from competing with other workers

14 What is the main characteristic of a progressive tax system?

A. Everyone pays the same amount of tax

B. Everyone pays the same percentage of their income

C. The tax rate decreases as income increases

D. The tax rate increases as income increases

15 What happens to the income inequality after applying the progressive tax system?

A. It decreases

B. It remains the same

C. It increases

16 Which of the following is an example of replacement income provided through the social security system?

A. Holiday pay

B. Unemployment benefit

C. Salary increase

D. Child benefit

17 Why does the social security system have a redistributive effect?

A. Low-income households pay all social security contributions

B. Benefits are exclusively provided to high-income households

C. Benefits mainly go to people with lower incomes and/or greater needs

D. Everyone receives exactly the same income after social security

18 How can cheap or free public transport contribute to reducing income inequality?

A. It increases the price of travelling to work

B. It increases labour mobility

C. It makes public transport a private good

D. It reduces access to employment for people without a car

19 What does the “Matthew effect” mean in the context of social security?

A. Social benefits always go exclusively to the poorest households

B. Social benefits may go to people who are already better off

C. High-income households always pay more in taxes than they receive in benefits

D. Social security completely eliminates income inequality

20 Germany’s Gini coefficient falls from 0.42 before redistribution to 0.31 after redistribution. What does this indicate?

A. Income inequality increased considerably

B. Germany has no social security system

C. Income redistribution had almost no effect

D. Income inequality decreased considerably

21 What is the definition of poverty?

A. A situation in which someone earns less than the average wage

B. A situation in which someone does not own a house

C. A situation in which someone does not have enough money or resources to meet basic needs

D. A situation in which someone is unemployed for more than one year

22 What was the monthly poverty threshold for a single person in Belgium according to the slides?

A. €1.265

B. €1.365

C. €1.465

D. €1.565

23 Why are single-parent families particularly vulnerable to poverty?

A. They cannot receive social benefits

B. One parent has to combine earning an income with raising children

C. Single parents are not allowed to work full-time

D. Their housing costs are always higher than those of other families

24 Which of the following is identified as a possible consequence of poverty?

A. Poorer physical and mental health

B. Higher educational opportunities

C. Greater participation in social activities

D. Higher disposable income

25 What is meant by “generational poverty”?

A. Poverty that only affects elderly people

B. Poverty caused exclusively by unemployment

C. Poverty that disappears when children become adults

D. Poverty that continues from one generation to the next

26 What is the main purpose of the “poverty web”?

A. To demonstrate that poverty is caused only by low income

B. To calculate the poverty threshold

C. To show that different dimensions of poverty are interconnected

D. To compare poverty levels between countries

27 Which of the following belongs to the invisible dimension of poverty?

A. Shame

B. Housing

C. Income

D. Education

28 Which policy can help combat poverty caused by a low level of education?

A. Increasing housing prices

B. Providing good-quality education

C. Reducing access to childcare

D. Decreasing unemployment benefits

29 How can social housing and housing allowances help combat poverty?

A. They increase the cost of living for low-income households

B. They guarantee everyone a high income

C. They can keep housing costs affordable

D. They eliminate the need for employment programmes

30 Which statement best describes the evolution of poverty?

A. Poverty increased from 16.5% in 2019 to 20.1% in 2025

B. Poverty was completely eliminated by 2025

C. Poverty remained unchanged between 2019 and 2025

D. The share of Belgians at risk of poverty or social exclusion fell from 20.1% in 2019 to 16.5% in 2025, but poverty remains widespread

JOUW ANTWOORDEN:

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