UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
International General Certificate of Secondary Education

CANDIDATE NAME	

CENTRE NUMBER							CANDIDATE NUMBER					

8883876764

ECONOMICS **0455/31**

Paper 3 Analysis and Critical Evaluation **October/November 2013**

1 hour 30 minutes

Candidates answer on the Question Paper.

READ THESE INSTRUCTIONS FIRST

Write your Centre number, candidate number and name on all the work you hand in.
Write in dark blue or black pen.
You may use a soft pencil for any diagrams, graphs or rough working.
Do not use staples, paper clips, highlighters, glue or correction fluid.
DO **NOT** WRITE IN ANY BARCODES.

Answer **all** questions.

At the end of the examination, fasten all your work securely together.
The number of marks is given in brackets [ ] at the end of each question or part question.

This document consists of **8** printed pages and **1** Insert.

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UNIVERSITY *of* CAMBRIDGE
International Examinations

The extract **'Rising food prices'** will be needed for this question.

For Examiner's Use

1 (a) (i) Define equilibrium price.

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(ii) Explain **two** possible reasons why the price of rice rose in some countries but fell in other countries.

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(b) Using a demand and supply diagram, explain the effect of a rise in the price of oil on the market for food.

For Examiner's Use

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For Examiner's Use

(c) (i) Calculate the weighting of food in Uganda's Consumer Prices Index.

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(ii) Why do rising food prices harm the poor more than the rich?

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(d) Discuss what information you would need to assess whether inflation will be harmful to an economy.

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For Examiner's Use

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[Total: 20]

The extract **'Youth unemployment'** will be needed for this question.

2 **(a)** Define monetary policy.

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(b) Using the data in Table 1, identify which country has **(i)** the highest number of young unemployed and **(ii)** the lowest number of young unemployed.

(i) ....

(ii) ....

[2]

For Examiner's Use

(c) Using information from the extract, identify **two** reasons why the lifetime wages of workers who experienced unemployment when young are likely to be below average.

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(d) Explain why a cut in income tax may reduce unemployment.

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(e) Using information from the extract, comment on whether Saudi Arabia experienced a recession in 2009.

For Examiner's Use

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(f) Discuss what information you would need to decide whether economic growth would benefit a country's population.

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For Examiner's Use

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[Total: 20]

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