



UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS  
International General Certificate of Secondary Education

**ECONOMICS**

**0455/02**

Paper 2 Structured Questions

**October/November 2008**

**1 hour 30 minutes**

Additional Materials: Answer Booklet/Paper

**READ THESE INSTRUCTIONS FIRST**

- If you have been given an Answer Booklet, follow the instructions on the front cover of the Booklet.
- 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.

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.

\* 9 0 3 4 7 8 4 2 2 8 \*

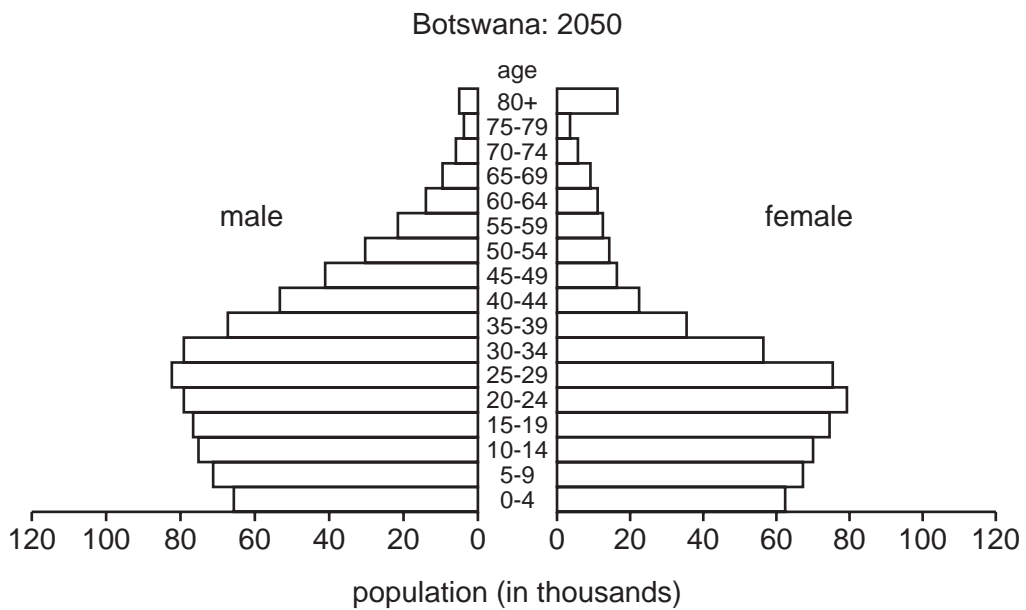
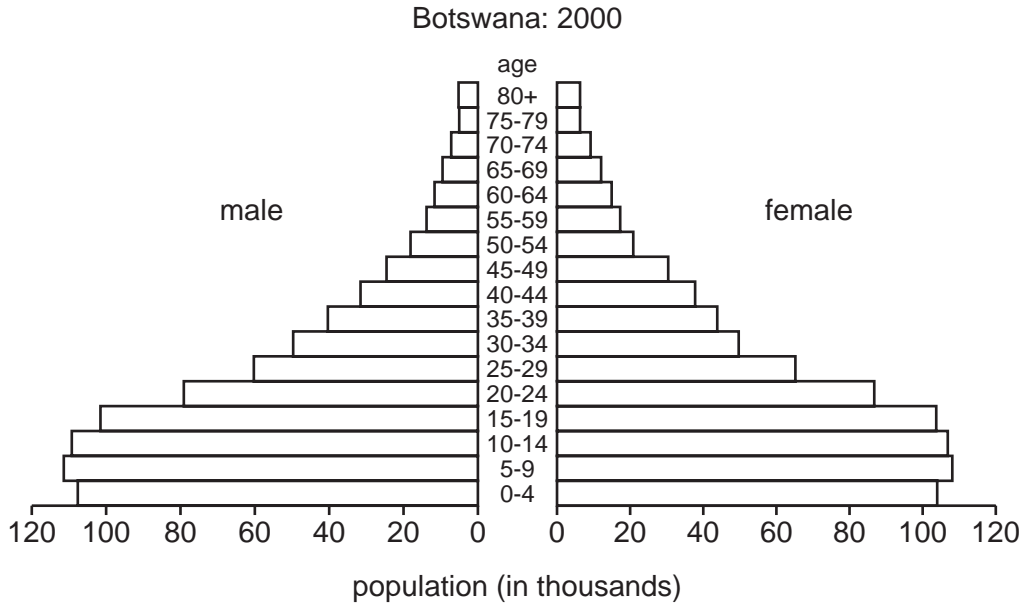
This document consists of **3** printed pages and **1** blank page.



Answer all questions.

1 Population in Botswana

The charts show the population pyramid for Botswana in 2000 and that predicted for 2050.



- (a) What is shown in a population pyramid? [1]
- (b) Describe what the prediction suggests will happen in Botswana by 2050. [1]
- (c) (i) Draw an outline shape of a population pyramid for a typical developed country to show how it might differ from those given for Botswana. [3]
- (ii) Explain what causes the difference in the shape of the population pyramid of a developed and a developing country. [4]
- (d) Discuss how an improvement in education in a developing country such as Botswana might have an effect on its population. [7]
- 2 (a) Explain why different income groups might have a different pattern of spending and saving. [5]
- (b) Discuss what might influence government spending. [5]
- 3 In February 2005 Kuwait opened a new port extension, said to be the largest and most advanced in the Middle East, near the country's main oil refinery. It took 3 years to build, can accommodate four supertankers at the same time, cost £187 million and is hoped to last at least 30 years. Kuwait is actively seeking new markets for its planned increase in oil production.
- (a) Explain, using demand and supply analysis, why Kuwait might want to seek new markets when it increases its oil production. [4]
- (b) Distinguish between fixed and variable costs and consider which is likely to have the highest proportion in the production and distribution of oil. [6]
- 4 A newspaper advertisement states that there is a job vacancy for a laboratory technician in a large international chemical company. The person will need to be able to travel a lot and will need to have an advanced qualification in chemistry. Another advertisement is for a secretary/receptionist in a local doctor's surgery on four afternoons a week.
- (a) Explain in what type of business organisation the two occupations might be found. [4]
- (b) Explain the factors that might affect an individual's choice of occupation. [6]
- 5 Investment spending is undertaken by both the private sector and the public sector.
- (a) Use examples to distinguish between private sector and public sector investment spending. [4]
- (b) Explain why investment spending is important for an economy. [6]

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Question 1                      © U.S. Census Bureau.

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