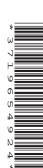


UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS International General Certificate of Secondary Education

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CANDIDATE NAME						
CENTRE NUMBER				CANDIDATE NUMBER		

ECONOMICS 0455/33

Paper 3 Analysis and Critical Evaluation

May/June 2012 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.

For Examiner's Use				
1				
2				
Total				

This document consists of 8 printed pages and 1 Insert.



		2 act 'A tax on high fat foods' will be needed for this question. What is meant by external costs?
Th	e extr	act 'A tax on high fat foods' will be needed for this question.
1	(a)	What is meant by external costs?
	4.	[2]
	(b)	What evidence is there in the extract of the economic problem?
		[2]
	(c)	Why may obesity lead to an increase in government spending?

(d)	(i)	Does the extract suggest that the poor spend more on food than the rich? your answer.	54.
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	(ii)	Does the extract suggest that the demand for cigarettes is price elastic or price inelastic? Explain your answer.	

(e)	Discuss whether the US Government should tax chocolate.	Bridge.com
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	18
	[8]
	[Total: 20]
he extract 'Challenges facing the BRICs' will be needed for the	his auestion
The extract Officing Co racing the Divide will be needed for the	nio question.
(a) Using information from the extract, state what happened	ed to the price level in 2009 in:
(i) India	
· ·	
	F43
	[1]
(ii) China.	
(ii) China.	
(ii) China.	[1]
(b) Why may a country experience a shortage of wor	
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(c)	Explain how raising the rate of interest can reduce aggregate (total) demand.	Mbridge.com
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	[4]	

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	describe the trends in of GDP in the four cou				36
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			•••••		
			·····		
					[4]
:xplaın an exam _l extract.	ple of a conflict betw	een government	economic aim	s mentioned in t	he

Question 2(f) is on the next page

(f)	Discuss whether an economy will always benefit from a reduction in unemployment.
	[6]

[Total: 20]

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