



UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
International General Certificate of Secondary Education

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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.

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

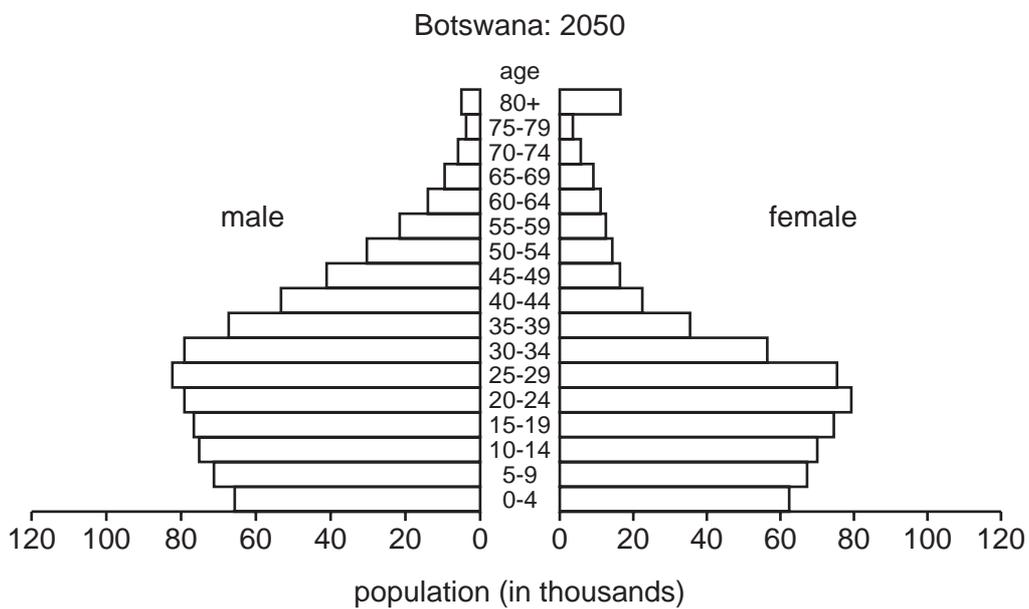
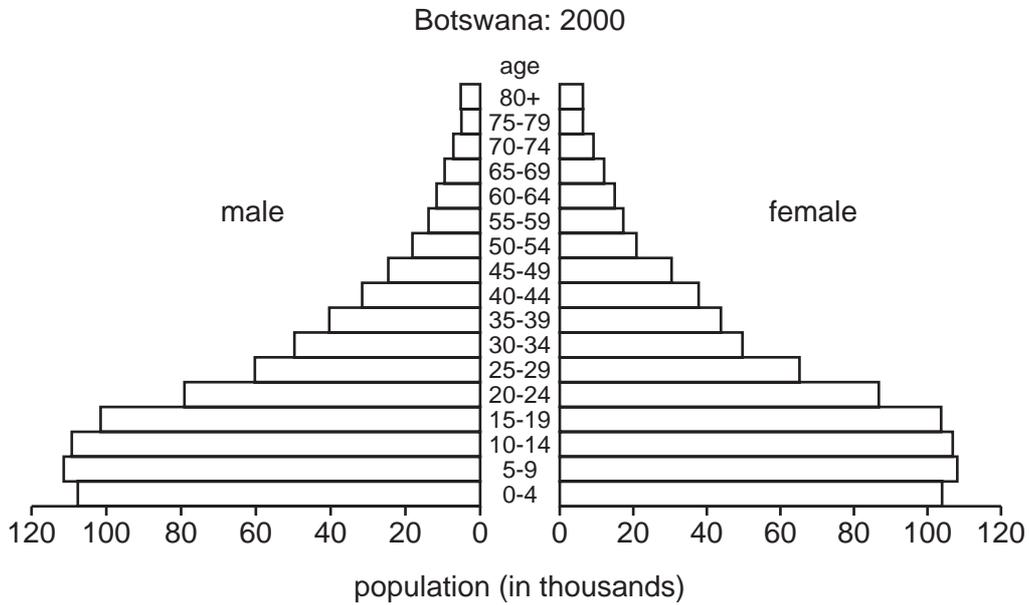


* 9 0 3 4 7 8 4 2 2 8 *

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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