

UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS International General Certificate of Secondary Education

CANDIDATE NAME					
CENTRE NUMBER			CANDIDATE NUMBER		

ECONOMICS 0455/32

Paper 3 Analysis and Critical Evaluation

October/November 2011
1 hour 30 minutes

Candidates answer on the Question Paper.

Additional Materials: Insert.

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.

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[Turn over

The extract 'Diamond mining in Sierra Leone' will be needed for this question.

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Examiner's
HSP

I	(a)	(i)	Calculate Sierra Leone's Human Development Index (HDI) value in 2008.
			[1]
		(ii)	Identify two components of the HDI.
			[2]
	(b)	(i)	What is the formula for calculating price elasticity of demand?
			[2]
		(ii)	Explain whether the extract suggests that the demand for diamonds is price elastic or price inelastic.
			[2]

(c)	Using a demand and supply diagram, analyse the effect of the change in the number of diamond mines in 2008 on the market for diamonds.	For Examiner's Use
	[4]	
(d)	Identify from the extract two examples of factors of production changing their use.	
	[2]	
	[2]	

•)	Discuss whether a successful, domestic diamond industry would benefit the economy of Sierra Leone.

[Total: 20]

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The extract 'The changing fate of the Philippines' will be needed for this question.

2 (a) Define labour productivity.[1] What has happened to a country's real GDP if its economic growth rate has fallen from 7.3% to 4.6%?[2] Using information from the extract, explain why the Philippines' economy was not seriously affected by the global recession (economic downturn) in 2008.

••••	
•••	
•••	
• • •	
	[4]
	[4]
	Using Table 1, calculate which country had the highest GDP per head in 2007. Show your workings.
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	(ii)	Why might GDP per head in a country rise at a time when its GDP is falling?	For Examiner's Use
		[1]	
(e)		cuss the factors which may influence whether tax revenue will increase in the ippines in the future.	

Additional writing space is on the next page

	For
	Examiner Use
[8]	
[Total: 20]	

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