

UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS International General Certificate of Secondary Education

| 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 Exam | iner's Use |
|----------|------------|
| 1 | |
| 2 | |
| Total | |

This document consists of 8 printed pages and 1 Insert.



The extract 'A tax on high fat foods' will be needed for this question.

For Examiner's Use

| 1 | (a) | What is meant by external costs? |
|---|-----|--|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | [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? |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | [2] |

| (d) | (i) | Does the extract suggest that the poor spend more on food than the rich? Explain your answer. | For Examiner's Use |
|-----|------|---|--------------------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | [3] | |
| | (ii) | Does the extract suggest that the demand for cigarettes is price elastic or price inelastic? Explain your answer. | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | [0] | |

| | scuss whether the US Government should tax chocolate. | |
|-----|---|--|
| ••• | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| ••• | | |
| ••• | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| ••• | | |
| ••• | | |
| ••• | | |
| ••• | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

© UCLES 2012

| | | | | For Examiner's Use |
|----|--------|-----------|--|--------------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | [8] | |
| | | | [Total: 20] | |
| Th | e extr | act 'C | Challenges facing the BRICs' will be needed for this question. | |
| 2 | (a) | Usi | ng information from the extract, state what happened to the price level in 2009 in: | |
| | | (i) | India | |
| | | | | |
| | | | [1] | |
| | | (ii) | China. | |
| | | | | |
| | | | [1] | |
| | (b) | Wh end | y may a country experience a shortage of workers at the same time as it is countering a relatively high unemployment rate? | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | [2] | |

For Examiner's Use

| (c) | Explain how raising the rate of interest can reduce aggregate (total) demand. |
|-----|---|
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | [4] |

0455/33/M/J/12

© UCLES 2012

| [4] plain an example of a conflict between government economic aims mentioned in the tract. | | |
|---|--|------|
| xplain an example of a conflict between government economic aims mentioned in the tract. | | |
| xplain an example of a conflict between government economic aims mentioned in the tract. | | |
| xplain an example of a conflict between government economic aims mentioned in the tract. | | |
| xplain an example of a conflict between government economic aims mentioned in the tract. | | |
| xplain an example of a conflict between government economic aims mentioned in the tract. | | |
| xplain an example of a conflict between government economic aims mentioned in the tract. | | |
| xplain an example of a conflict between government economic aims mentioned in the tract. | | |
| xplain an example of a conflict between government economic aims mentioned in the tract. | | •••• |
| xplain an example of a conflict between government economic aims mentioned in the tract. | | |
| xplain an example of a conflict between government economic aims mentioned in the tract. | | |
| xplain an example of a conflict between government economic aims mentioned in the tract. | | •••• |
| xplain an example of a conflict between government economic aims mentioned in the tract. | | |
| xplain an example of a conflict between government economic aims mentioned in the tract. | | |
| xplain an example of a conflict between government economic aims mentioned in the tract. | | •••• |
| xplain an example of a conflict between government economic aims mentioned in the tract. | | |
| xplain an example of a conflict between government economic aims mentioned in the tract. | | |
| xplain an example of a conflict between government economic aims mentioned in the tract. | | |
| xplain an example of a conflict between government economic aims mentioned in the tract. | | |
| xplain an example of a conflict between government economic aims mentioned in the tract. | | |
| xplain an example of a conflict between government economic aims mentioned in the tract. | | |
| xplain an example of a conflict between government economic aims mentioned in the tract. | | |
| xplain an example of a conflict between government economic aims mentioned in the tract. | | •••• |
| xplain an example of a conflict between government economic aims mentioned in the tract. | | |
| xplain an example of a conflict between government economic aims mentioned in the tract. | | |
| tract. | | [4] |
| | | [4] |
| 101 | Explain an example of a conflict between government economic aims mentioned in t | |
| 101 | | |
| 101 | Explain an example of a conflict between government economic aims mentioned in t | |
| | Explain an example of a conflict between government economic aims mentioned in t | |
| 101 | Explain an example of a conflict between government economic aims mentioned in t | |
| 101 | Explain an example of a conflict between government economic aims mentioned in t | |
| 101 | Explain an example of a conflict between government economic aims mentioned in t | |
| 101 | Explain an example of a conflict between government economic aims mentioned in t | |
| [0] | Explain an example of a conflict between government economic aims mentioned in t | |
| ro1 | Explain an example of a conflict between government economic aims mentioned in t | |
| | Explain an example of a conflict between government economic aims mentioned in t | |
| ោ | Explain an example of a conflict between government economic aims mentioned in t | |
| | Explain an example of a conflict between government economic aims mentioned in t | |

Question 2(f) is on the next page

| | scuss whether an economy will always benefit from a reduction in unemployment. | E |
|---|--|---|
| • | | |
| | | |
| | | |
| | | |
| • | | |
| | | |
| | | |
| | | |
| | | |
| • | | |
| • | | |
| | | |
| | | |
| | | |
| • | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| • | | |
| | | |
| | | |
| | | |
| | | |
| • | | |
| | | |
| | | |
| | [6] | |

Permission to reproduce items where third-party owned material protected by copyright is included has been sought and cleared where possible. Every reasonable effort has been made by the publisher (UCLES) to trace copyright holders, but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest possible opportunity.

University of Cambridge International Examinations is part of the Cambridge Assessment Group. Cambridge Assessment is the brand name of University of Cambridge Local Examinations Syndicate (UCLES), which is itself a department of the University of Cambridge.