UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
International General Certificate of Secondary Education

CANDIDATE NAME	
CENTRE NUMBER	
CANDIDATE NUMBER	

8569442022

ECONOMICS **0455/32**

Paper 3 Analysis and Critical Evaluation **May/June 2010**

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.

DC (SM) 23158/2

UNIVERSITY *of* CAMBRIDGE International Examinations

[Turn over

The extract **'High rice prices lead to export restrictions'** will be needed for this question.

For Examiner's Use

1 **(a)** **(i)** Explain what is meant by opportunity cost.

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.... [2]

(ii) Identify, from the extract, **one** example of opportunity cost.

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(b) Why might the price of rice have increased less in Egypt than in the Philippines in 2008?

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For Examiner's Use

(c) Draw a demand and supply diagram, for **each** case below, to show the effect on the market for rice of:

(i) floods in North Korea

[3]

(ii) rises in income in China.

[3]

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(d) Does the extract suggest that demand for rice in the Philippines was price elastic or price inelastic in 2008? Explain your answer.

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(e) Explain why the removal of export restrictions in Vietnam could reduce poverty in the Philippines.

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(f) Discuss what you would need to know to decide whether Thailand would benefit from specialising even more in rice production.

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[7]

[Total: 24]

The extract **'A social and economic comparison of selected Indian States 2006'** will be needed for this question.

2 **(a)** **(i)** Why would economists expect that States with high senior school enrolment ratios would have a small percentage of their population living in poverty?

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(ii) Does the information in the extract support the view that States with high senior school enrolment ratios have a small percentage of their population living in poverty?

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(b) (i) Assess whether the information in the extract indicates that people living in Kerala enjoyed a higher quality of life than people in Madhya Pradesh in 2006.

For Examiner's Use

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Question **2(b)(ii)** is on the next page

(ii) Discuss what other information you would need to decide whether the quality of life is higher in Kerala than in Madhya Pradesh.

For Examiner's Use

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[Total: 16]

Copyright Acknowledgements:

Question 2 Table 1 © *Government of India Economic Survey 2007–08*; Oxford University Press, New Delhi; 2008.