



ECONOMICS

9772/03

Paper 3 Investigation

May/June 2013

1 hour 15 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 **one** question.

You are advised to spend 5 minutes planning your answer.

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 **2** printed pages.



Answer **one** question.

1 Transport and the Environment

'Transport systems in the UK are totally dependent on the use of scarce fossil fuels. Much more widespread use of alternative energy sources is necessary to develop more sustainable systems. Significant government intervention will be required to achieve this transition.'

Evaluate the extent to which economic reasoning supports this statement. [40]

2 China and the Global Economy

'China's impressive economic growth rates have been based on being the lowest cost producer. As the prices of China's exports rise this advantage is being eroded. This will inevitably lead to slower growth.'

Evaluate the extent to which economic reasoning supports this statement. [40]

3 The Millennium Development Goals

'Developing economies should concentrate on economic growth if they are serious about improving the quality of life of their citizens. The Millennium Development Goals are at best a distraction and at worst lead to the misallocation of scarce resources.'

Evaluate the extent to which economic reasoning supports this statement. [40]

4 Economics Thinkers and their relevance today (Adam Smith, Karl Marx and John Maynard Keynes)

'In a modern economy, Keynes's views exert greater influence on the economy as a whole, whereas Smith's have more influence on the operation of individual markets. Marx's views have ceased to be relevant.'

Based upon your study of these thinkers, evaluate the validity of this statement. [40]

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