Cambridge Assessment International Education

Cambridge International AS & A Level

ECONOMICS **9708/42**

Paper 4 A Level Data Response and Essays **October/November 2023**

2 hours

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You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS

- Answer **three** questions in total:
  - Section A: answer Question 1.
  - Section B: answer **one** question.
  - Section C: answer **one** question.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.
- You may use a calculator.
- You may answer with reference to any economy you have studied where relevant to the question.

INFORMATION

- The total mark for this paper is 60.
- The number of marks for each question or part question is shown in brackets [ ].

This document has **4** pages. Any blank pages are indicated.

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Section A

Answer all parts of Question 1.

1 Traffic Control

In 2020 Lagos, Nigeria's largest city, banned the use of motorcycle taxis and tricycles from its most congested areas.

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Plans are in place to extend the system to 400km.

Sources: dailytrust.com, 7 February 2020 and The Daily Telegraph, *3 March 2020*

(a) Explain what is meant by equity and how the ban on motorcycle taxis and tricycles affects equity for commuters in Lagos. [3]

(b) Explain, with the help of a diagram, what is meant by a negative externality and identify **two** examples of negative externalities from the article. [6]

(c) From the evidence, consider whether the Singapore quota system or the ERP was more effective in solving the problem of traffic congestion. [6]

(d) Assess whether government's involvement in the provision of transport systems is because transport is a public good. [5]

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Section B

Answer **one** question.

2 Evaluate the use of indifference curve analysis to derive the demand curve for a normal good and the demand curve for an inferior good. [20]

OR

3 The model of perfect competition is the ideal form of market structure because it is the most efficient.

With the help of diagrams, evaluate this statement. [20]

Section C

Answer **one** question.

4 The presence of multinational corporations (MNCs) in a low-income country always promotes economic growth in that country.

Evaluate this statement. [20]

OR

5 Consider the relative merits of gross national income (GNI) and the multidimensional poverty index (MPI) as measures of the standard of living. [20]

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