UNIVERSITY OF CAMBRIDGE INTERNATIONAL EX
International General Certificate of Secondary Educati

CANDIDATE NAME

CENTRE NUMBER | | | | | |

CAN NUMBER

1068315960

ECONOMICS **0455/31**

Paper 3 Analysis and Critical Evaluation **May/June 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 **7** printed pages, **1** blank page and **1** Insert.

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[Turn over

The extract **'The global water crisis'** will be needed for this question.

1 **(a)** What is meant by a finite resource?

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.....[2]

(b) Explain, using a demand and supply diagram, the effect of setting the price of water too low.

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[4]

(c) **(i)** Define opportunity cost.

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(ii) Using the extract, calculate the opportunity cost in terms of wheat of using the water needed to produce one kilogram of beef.

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(d) Explain **two** possible reasons why the world's demand for water may **not** grow as rapidly as the extract suggests.

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[4]

(e) Discuss the arguments for and against taxing household use

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[Total: 20]

The extract **‘Economic challenges facing Brazil’** will be needed for t

2 **(a)** What is meant by the exchange rate?

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(b) Using the extract:

(i) calculate the percentage of Brazil’s output accounted for by the tertiary sector

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(ii) identify a Brazilian industry that operates in the secondary sector.

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(c) What is meant by a relatively self-sufficient economy?

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(d) What has attracted investment into Brazil?

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(e) **(i)** Explain what happened to the price level in Brazil over the period shown in Table 1.

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(ii) Explain **one** consequence of inflation referred to in the extract.

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(f) Discuss whether the Brazilian Government's approach to red
successful.

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