UNIVERSITY OF CAMBRIDGE INTERNATIONAL EX
International General Certificate of Secondary Educati

CANDIDATE NAME

CENTRE NUMBER | | | | | |

CAN NUMBER

4213678674

ECONOMICS **0455/31**

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 Examiner's Use	
1	
2	
Total	

This document consists of **8** printed pages and **1** Insert.

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The extract **‘Russia’s tax on imported cars’** will be needed for this q

1 **(a)** What method of protection does Russia use to protect its car

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..... [1]

(b) Using information from the extract, explain **one** reason why Russian car manufacturers have become less internationally competitive.

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..... [2]

(c) Explain **two** reasons why a multi-national car company may want to set up in a country.

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(d) **(i)** What relationship would economists expect to find betwe
exports and changes in the current account of the balan

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..... [2]

(ii) Comment on the relationship shown in Table 1.

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..... [3]

(e) Discuss whether the Russian Government should increase it

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The extract **'Changes in the Kenyan tea market'** will be needed for t

2 **(a)** Identify, from the extract, **two** influences on the demand for tea.

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..... [2]

(b) **(i)** Explain what is likely to have happened to the price of Kenyan tea in 2009.

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..... [2]

(ii) Explain what is likely to have happened to the price of K

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(c) Using information from the extract, explain **two** reasons why Kenyan tea pickers may want to switch to other jobs.

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..... [4]

(d) Why is there a high average cost of producing tea in Kenya?

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..... [4]

(e) Discuss whether giving a subsidy to Kenyan tea farmers would be likely to increase sales of Kenyan tea to Pakistan.

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[Total: 20]

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