UNIVERSITY OF CAMBRIDGE INTERNATIONAL EX
International General Certificate of Secondary Educati

ECONOMICS

Paper 3 Analysis and Critical Evaluation

INSERT

READ THESE INSTRUCTIONS FIRST

This Insert contains extracts for Questions 1 and 2.

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Extract for Question 1

Africa's growing mobile (cell) phone market

The use and ownership of mobile phones in Africa are increasing a
coverage of mobile networks increased from 10% in 1999 to 60
grow to 90% by 2012. The rise in the supply of mobile phones is

It is interesting to note that advances in technology are being bro
mobile phones than by means of computers (see table below).

Ownership of mobile phones and computers in selected countries 2007

	Per 100 population	
Country	Mobile phones	Computers
African countries:		
Kenya	20.9	1.4
Nigeria	24.1	0.8
South Africa	83.3	8.5
Western countries:		
Germany	103.6	60.6
United Kingdom	116.6	75.8
United States	77.4	76.2

There are a number of reasons why the demand for mobile phones is increasing so rapidly in Africa. One is the fall in their price. The mobile phone companies are bringing out low priced models for the African markets. Another reason is increasing awareness of the benefits mobile phones can bring. These benefits include not only being able to keep in touch with family and friends but also helping buyers and sellers contact each other. TradeNet, a software company based in Accra, Ghana, provides a service which lets buyers and sellers of agricultural products exchange contact information and indicate what they would like to trade. Services offered by mobile phone companies increase the efficiency of trade and help reduce market failure.

Mobile phone companies clearly benefit from the growth in sales in Africa. For instance, Globacom, a Nigerian private limited company, and Safaricom Kenya, a joint venture between Telkom Kenya and the multi-national company Vodaphone Group, are both experiencing increasing revenues and profits. African governments are also finding that they can increase their revenue by selling mobile phone licences and imposing corporate taxes on the profits of mobile phone companies.

Extract for Question 2

United States (US) unemployment reaches new heights

More Americans lost their jobs in 2008 than in any year since 19
Americans were made redundant and unemployment rose by 470
into the start of 2009. In April 2009, the unemployment rate in th
with an unemployment rate of 4.8% in Japan. Some economi
economic performance in the US was stronger than Japan's a
closer to achieving its policy aims than the Japanese Government

The rise in unemployment in the US was widespread across industries and was accompanied by a change in the number of hours Americans worked. In December 2008, the average weekly hours worked by Americans fell to 33.3. This was the lowest number of hours worked per week since records began in 1964. Some full-time workers had their hours reduced and other workers were forced into part-time work because they could not find full-time employment.

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