UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIO

International General Certificate of Secondary Education

MARK SCHEME for the October/November 2

for the guidance of teachers

0455 ECONOMICS

0455/32 Paper 3 (Analysis and Critical Evaluation), maximum raw mark 40

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes must be read in conjunction with the question papers and the report on the examination.

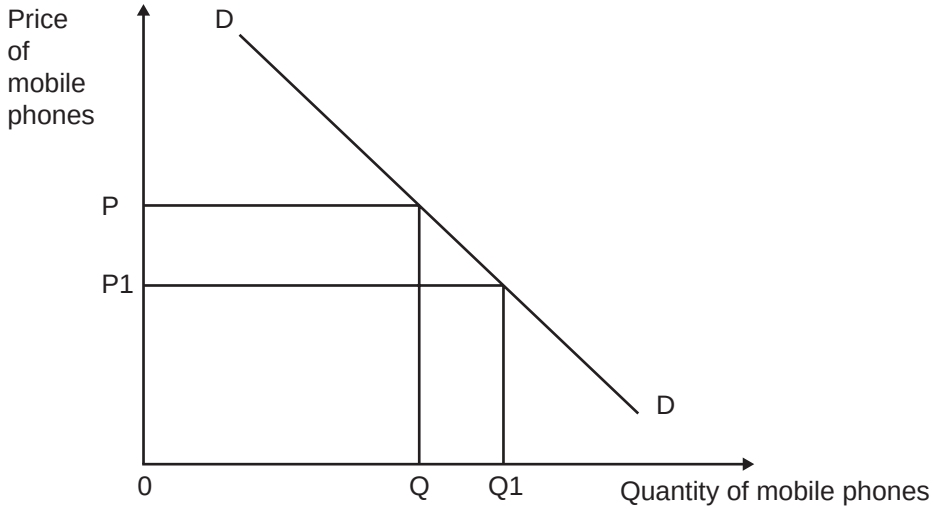
- CIE will not enter into discussions or correspondence in connection with these mark schemes.

CIE is publishing the mark schemes for the October/November 2010 question papers for most IGCSE, GCE Advanced Level and Advanced Subsidiary Level syllabuses and some Ordinary Level syllabuses.

1 **(a)** Two from: advances in technology, fall in costs of product government subsidies, fall in indirect taxation, entry of new fir

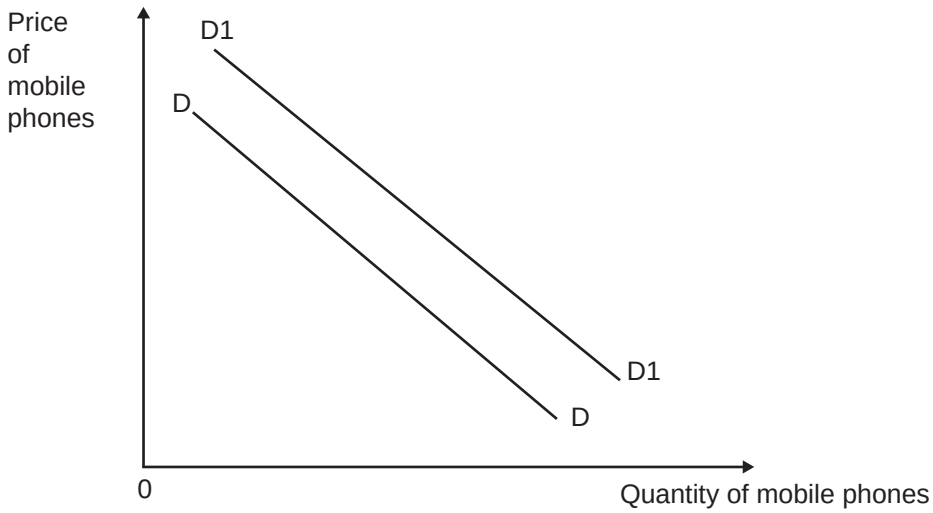
(b) Ownership of mobile phones is higher than computers in both
The gap between the ownership of mobile phones and com significantly higher in the African countries (1).
Ownership of computers is significantly lower in the African countries (1).
Generally, ownership of mobile phones was higher per 100 population in Western countries (1) but it is interesting to note that ownership was higher per 100 population in South Africa than in the United States (1).
Note: maximum mark is 4. [4]

(c) **(i)**



1 mark for labels.
1 mark for movement downwards along the demand curve. [2]

(ii)



1 mark for labels.
1 mark for shift of the demand curve to the right. [2]

(d) Mobile phones help to bring buyers and sellers together/i should reduce the risk of surpluses and shortages occur demand and supply (1); reduces risk of information failure (1 producers to allocate resources according to consumer dem work efficiently (1).
Note: maximum mark of 3.

(e) 1 mark for each of two characteristics e.g. has limited liabilit individuals.

(f) **(i)** Direct taxes (1) as they are taxes on income/profit (1). [2]

(ii) 1 mark for agreeing it may discourage.
Up to 4 marks for explaining why it may discourage, e.g. reduce profits, reduce competitiveness.
Up to 7 marks if acknowledge may discourage but then considers factors why it might not, e.g. corporate taxes may be lower, demand in the market may be increasing, there may be government subsidies, availability of cheap labour, high labour productivity, companies will compare market conditions in the country with other countries. [7]

2 **(a)** Percentage of labour force/working population (1) without a job or those registered as unemployed (1). [2]

(b) Up to 3 marks for explaining any reason why they may have left the labour force, e.g. entered further education, retired early, gave up looking for work, emigrated or;
1 mark for each of the three reasons identified.
1 mark for recognising that some of those made redundant may have found other employment straight away.
Up to 3 marks for really good development of one point.
Note: maximum mark is 3. [3]

(c) Fewer people working/rise in unemployment (1); reduction in full-time hours (1) and more people working part-time (1). [3]

(d) Up to 4 marks for identification of information needed, e.g. economic growth rate, inflation rate, current account position, distribution of income, living standards, technological advances, level of poverty.
Up to 5 marks for commenting on what would indicate a strong performance, e.g. stable growth rate, sustainable growth rate, low inflation rate, stable inflation rate, current account balance, trends in economic growth rate, inflation rate, current account position.
A well-developed comment can receive two marks.
1 mark for a good conclusion. [8]