UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
International General Certificate of Secondary Education

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER				

8544421859

ECONOMICS **0455/32**

Paper 3 Analysis and Critical Evaluation **October/November 2010**

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 **9** printed pages, **3** blank pages and **1** Insert.

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The extract **'Africa's growing mobile (cell) phone market'** will be needed for this question.

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1 **(a)** Give **two** possible causes of an increase in the supply of mobile phones.

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.....[2]

(b) Using the information in the table, compare the ownership of mobile phones and computers in the three African countries with that in the three Western countries.

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(c) Using a demand diagram in **each** case, illustrate the effect on the demand for mobile phones of:

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(i) a fall in the price of mobile phones

[2]

(ii) an increase in the awareness of the benefits of mobile phones.

[2]

(d) Explain how the use of mobile phones may reduce market failure in agricultural markets.

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(e) Describe **two** characteristics of a private limited company such as Globacom.

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(f) **(i)** Are corporate taxes direct or indirect taxes? Explain your answer.

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(ii) Discuss whether imposing corporate taxes on the profits of mobile phone companies will discourage multi-national phone companies from setting up in a country.

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The extract **'United States (US) unemployment reaches new heights'** will be needed for this question.

For Examiner's Use

2 **(a)** Explain what is meant by the unemployment rate.

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(b) What could have explained the difference in the number of Americans losing their jobs and the rise in US unemployment in December 2008?

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(c) Using information from the extract, identify **three** reasons why the number of hours worked fell in the US in 2008.

For Examiner's Use

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(d) Discuss what other information you would need to assess whether economic performance in the US was stronger than Japan's at the start of 2009.

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[Total: 16]

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