UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
International General Certificate of Secondary Education

CANDIDATE NAME	
CENTRE NUMBER	
CANDIDATE NUMBER	

1598455596

ECONOMICS **0455/33**

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 **'The power of Gazprom'** will be needed for this question.

For Examiner's Use

1 **(a)** Draw a demand and supply diagram to show the effect of an increase in demand for gas on the world market for gas.

[3]

(b) Using information from the extract, explain why Gazprom's share price may have fallen in 2009.

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(c) (i) Give **two** reasons why a firm may borrow.

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(ii) What effect might Gazprom's spending on building new pipelines have on the company's profits in the short term and long term?

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(d) Why might the best engineers want to work for Gazprom?

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(e) **(i)** Comment on how close Gazprom was to being a monopoly in 2008.

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(ii) Discuss the information you would need in order to assess whether a monopoly is benefiting consumers.

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[Total: 24]

The extract **'Information on Gross Domestic Product (GDP), Human Development Index (HDI), foreign aid and health expenditure in selected countries'** will be needed for this question.

For Examiner's Use

2 **(a)** Economists expect countries which have a high GDP per head to have a high HDI value. Does the information in the extract support this expected relationship?

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(b) Explain why a country may have a relatively high GDP per head but a relatively low HDI value.

For Examiner's Use

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(c) **(i)** Explain how a country's level of GDP per head might be expected to affect the level of foreign aid received per head.

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(ii) Does the information in the extract confirm this expected relationship between GDP per head and the level of foreign aid received per head?

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(d) Of the countries shown, Sierra Leone had the lowest spending on health care per head and the lowest GDP per head. Discuss what factors will influence whether a rise in spending on health care would increase real GDP per head.

For Examiner's Use

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