UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
International General Certificate of Secondary Education

CANDIDATE NAME	
CENTRE NUMBER	
CANDIDATE NUMBER	

9255739565

ECONOMICS **0455/31**

Paper 3 Analysis and Critical Evaluation **October/November 2011**

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 **8** printed pages and **1** Insert.

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The extract '**The Brain Drain**' will be needed for this question.

For Examiner's Use

1 **(a)** What is meant by a 'brain gain'?

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.....[2]

(b) Explain **two** possible reasons why, in the future, Ghanaian doctors may choose to work in Ghana.

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.....[4]

(c) (i) Using the extract identify:

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- a private benefit of education

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.....[1]

- an external benefit of education.

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.....[1]

(ii) Explain **two** policies a government could use to encourage more people to enter higher education.

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(d) Using Table 1, identify, relative to its GDP:

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(i) the country **most** dependent on remittances

.....[1]

(ii) the country **least** dependent on remittances.

.....[1]

(e) Discuss what factors should be taken into account when assessing whether an economy would benefit from the emigration of its workers.

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[Total: 20]

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The extract '**Microfinance**' will be needed for this question.

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2 **(a)** Identify, from the extract, **three** motives for borrowing.

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.....[3]

(b) **(i)** Explain what is meant by poverty.

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For Examiner's Use

(ii) Apart from the difficulty of borrowing, explain **one** other disadvantage the extract suggests the poor experience.

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(c) (i) State **two** reasons why a conventional commercial bank may be reluctant to lend to the poor.

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(ii) Using a demand and supply diagram, show the effect of increasing loans to poor entrepreneurs on the market for basic, inexpensive capital goods such as sewing machines.

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[3]

(d) (i) What is meant by entrepreneurial skills?

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Question 2(d)(ii) is on the next page

(ii) Discuss the factors that affect an individual's choice of whether to work for someone else or to start their own business.

For Examiner's Use

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[Total: 20]

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