Cambridge Assessment International Education

# Cambridge IGCSE™

**ECONOMICS** **0455/13**

Paper 1 Multiple Choice **October/November 2025**

**45 minutes**

You must answer on the multiple choice answer sheet.

You will need: Multiple choice answer sheet
Soft clean eraser
Soft pencil (type B or HB is recommended)

**INSTRUCTIONS**

- There are **thirty** questions on this paper. Answer **all** questions.
- For each question there are four possible answers **A**, **B**, **C** and **D**. Choose the **one** you consider correct and record your choice in soft pencil on the multiple choice answer sheet.
- Follow the instructions on the multiple choice answer sheet.
- Write in soft pencil.
- Write your name, centre number and candidate number on the multiple choice answer sheet in the spaces provided unless this has been done for you.
- Do **not** use correction fluid.
- Do **not** write on any bar codes.
- You may use a calculator.

**INFORMATION**

- The total mark for this paper is 30.
- Each correct answer will score one mark.
- Any rough working should be done on this question paper.

This document has **12** pages. Any blank pages are indicated.


© UCLES 2025

**[Turn over**

**1** What is **least** likely to increase the geographical mobility of labour?

**A** greater provision of information about available jobs

**B** improved roads and communication network

**C** increased opportunities for education and training

**D** strengthened family ties and relationships

**2** Which value does opportunity cost measure?

**A** environmental damage

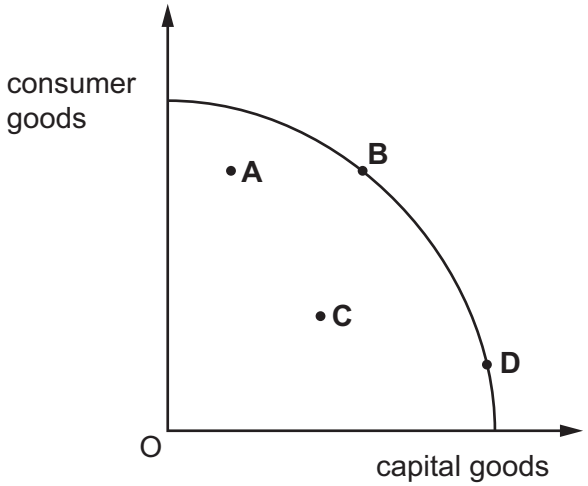
**B** next best alternative forgone

**C** output of labour

**D** price paid

**3** The diagram shows a production possibility curve (PPC).

Which position is most likely to lead to the greatest outward shift of the PPC?




**4** What is **not** a function of prices in a market economy?

**A** prices allow income to be distributed equally

**B** prices ration scarce resources among economic agents

**C** prices rise and fall to reflect shortages and surpluses

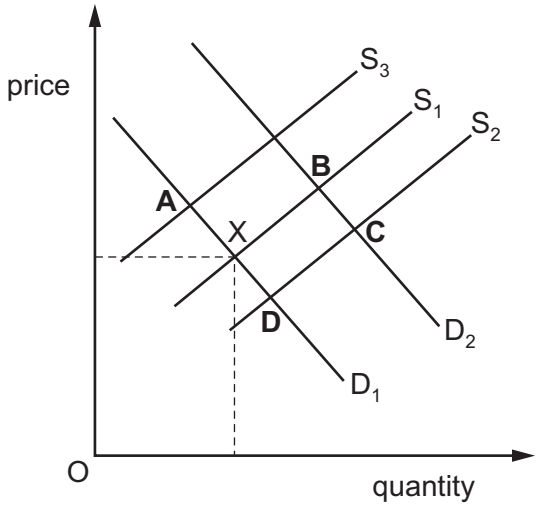
**D** prices send information to consumers and producers

© UCLES 2025

**5** The diagram shows the market for fresh fish in the Caribbean with equilibrium point X.

A new type of fishing boat increases production, which reduces costs.

Which point represents the new equilibrium?




**6** The table shows the market schedule for good X.

| price | quantity supplied | quantity demanded |
|---|---|---|
| 10 | 400 | 100 |
| 9 | 300 | 200 |
| 8 | 200 | 300 |
| 7 | 100 | 400 |

If the quantity supplied increases by 50% at each price, what will the equilibrium price and quantity be?

| | price | quantity |
|---|---|---|
| **A** | 10 | 100 |
| **B** | 9 | 200 |
| **C** | 8 | 300 |
| **D** | 7 | 400 |

© UCLES 2025

**[Turn over**

**7** The price of fish has increased from $3.00 to $4.80. The quantity supplied of fish has increased from 100 units to 130 units.

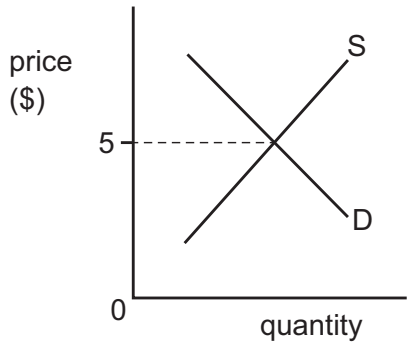
What is the price elasticity of supply (PES) of fish?

**A** 0.5 **B** 1.3 **C** 1.8 **D** 2

**8** Which combination shows features of the mixed economic system?

| | price mechanism | private sector | public sector |
|---|---|---|---|
| **A** | no | no | yes |
| **B** | no | yes | no |
| **C** | yes | yes | no |
| **D** | yes | yes | yes |

**9** The diagram shows the equilibrium price for bread.




What will be the short-term effect if the government sets a maximum price below $5?

**A** a shift in the demand curve

**B** a shift in the supply curve

**C** an excess of demand over supply

**D** an excess of supply over demand

**10** Why do banknotes function as money?

**A** They are backed by gold.

**B** They are durable.

**C** They are generally acceptable.

**D** They have intrinsic value.

© UCLES 2025

**11** Worker X earns less than worker Y.

What is most likely to be true of worker X?

**A** They have a longer period of training than worker Y.

**B** They have a longer working day than worker Y.

**C** They have skills that are more in demand than worker Y.

**D** They have weaker bargaining power than worker Y.

**12** What would increase the strength of a trade union?

**A** a growth in part-time employment

**B** a growth in the membership

**C** a rise in the national minimum wage

**D** a rise in the standard of living

**13** The size of the domestic car industry in Japan has enabled Japanese car producers to be more price competitive than rival car producers.

What is an explanation for this?

**A** Economies of scale are present in the Japanese car industry.

**B** Managerial problems exist in the Japanese car industry.

**C** Productivity is low in Japan.

**D** The Japanese car industry is very labour-intensive.

**14** The table shows the output of cakes from four bakeries, **A, B, C** and **D**.

Which bakery has the highest labour productivity?

| | labour (hours per day) | output (cakes per day) |
|---|---|---|
| **A** | 10 | 40 |
| **B** | 40 | 640 |
| **C** | 50 | 750 |
| **D** | 100 | 500 |

© UCLES 2025

**15** The table shows a firm's average revenue and average cost at different levels of output.

When all output is sold, which level of output generates the most profit?

| | output (units) | average revenue (US$) | average cost (US$) |
|---|---|---|---|
| **A** | 5 | 10 | 30 |
| **B** | 10 | 20 | 20 |
| **C** | 15 | 25 | 15 |
| **D** | 20 | 30 | 18 |

**16** What would make the existence of a monopoly market more likely?

**A** consumers prefer a variety of choice in products

**B** significant economies of scale can be achieved

**C** there are low barriers to entry and exit for firms

**D** there are no restrictions on international trade

**17** Which role is **not** performed by a government?

**A** paying dividends to shareholders

**B** promoting international trade agreements

**C** providing state benefits

**D** subsidising merit goods

**18** A government has stated for the next year it has four main aims.

1 low and stable inflation

2 providing subsidies to farmers

3 raising productivity of workers in the public sector

4 stability in the balance of payments

What are the two macroeconomic aims for the government?

**A** 1 and 2 **B** 1 and 4 **C** 2 and 3 **D** 3 and 4

© UCLES 2025

**19** What is **not** likely to be included in a government budget?

**A** anticipated tax revenue

**B** changes in exchange rates

**C** forecast government borrowing

**D** proposed government spending

**20** Which combination of policy measures is most likely to increase total demand in an economy?

| | money supply | interest rate | exchange rate |
|---|---|---|---|
| **A** | decrease | decrease | revaluation |
| **B** | decrease | increase | devaluation |
| **C** | increase | decrease | devaluation |
| **D** | increase | increase | revaluation |

**21** Which supply-side policy measure would most likely cause the greatest increase in labour productivity in a country?

**A** a decrease in the rate of corporation tax

**B** a reduced top rate of income tax

**C** improved education and training provision

**D** privatisation of a state-owned industry

**22** How is economic growth of a country measured?

**A** by an increase in the monetary value of goods produced

**B** by an increase in the number of people in employment

**C** by an increase in the real Gross Domestic Product (GDP)

**D** by an increase in the value of the Human Development Index (HDI)

© UCLES 2025

**[Turn over**

**23** A country experiences a significant fall in unemployment.

What is a possible advantage and a possible disadvantage of such a fall?

| | possible advantage | possible disadvantage |
|---|---|---|
| **A** | fall in government spending on unemployment benefits | fall in labour disputes |
| **B** | fall in tax revenue | fall in poverty |
| **C** | rise in living standards | rise in inflation rate |
| **D** | rise in output | rise in labour mobility |

**24** A country's Consumer Prices Index (CPI) falls from 120 to 110 in a year.

What will be a likely effect of this fall?

**A** incomes will fall in real terms

**B** savings will fall in real terms

**C** the rate of interest will rise

**D** the real value of debt will rise

**25** The population sizes of four countries, **A**, **B**, **C** and **D**, are all equal.

Which country is most likely to have the highest population growth, given the changes in the table?

| | birth rate | death rate | net migration |
|---|---|---|---|
| **A** | decreasing | increasing | unchanged |
| **B** | increasing | decreasing | increasing |
| **C** | increasing | increasing | decreasing |
| **D** | unchanged | increasing | decreasing |

© UCLES 2025

**26** Which combination of characteristics would be found in a less developed economy?

| | literacy rates | population growth | tertiary sector |
|---|---|---|---|
| **A** | high | high | small |
| **B** | low | high | small |
| **C** | high | low | large |
| **D** | low | low | large |

**27** What is a likely benefit of increased national specialisation?

**A** It guarantees a balance of trade in goods and services surplus.

**B** It increases dependency on other economies.

**C** It lengthens international supply chains.

**D** It reduces the cost of living.

**28** What is **not** a likely benefit of free trade?

**A** consumers should experience lower prices

**B** consumers should have a greater choice of goods

**C** firms could be protected from foreign competition

**D** firms could take advantage of economies of scale

**29** Which combination of changes would definitely raise the price of the Pakistani rupee on the foreign exchange market?

| | demand for Pakistan's exports | Pakistan's demand for imports |
|---|---|---|
| **A** | decrease | decrease |
| **B** | decrease | increase |
| **C** | increase | decrease |
| **D** | increase | increase |

© UCLES 2025

**30** What is a likely government policy to reduce a deficit on the current account of the balance of payments?

**A** increasing the value of the foreign exchange rate

**B** increasing training for workers in export industries

**C** reducing subsidies to domestic export industries

**D** reducing tariffs on imported goods and services

© UCLES 2025

**BLANK PAGE**

© UCLES 2025

**BLANK PAGE**

Permission to reproduce items where third-party owned material protected by copyright is included has been sought and cleared where possible. Every reasonable effort has been made by the publisher (UCLES) to trace copyright holders, but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest possible opportunity.

To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced online in the Cambridge Assessment International Education Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download at www.cambridgeinternational.org after the live examination series.

Cambridge Assessment International Education is part of Cambridge Assessment. Cambridge Assessment is the brand name of the University of Cambridge Local Examinations Syndicate (UCLES), which is a department of the University of Cambridge.

© UCLES 2025