



Cambridge International AS & A Level

ECONOMICS

9708/42

Paper 4 A Level Data Response and Essays

October/November 2023

2 hours



You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS

- Answer **three** questions in total:
 - Section A: answer Question 1.
 - Section B: answer **one** question.
 - Section C: answer **one** question.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.
- You may use a calculator.
- You may answer with reference to any economy you have studied where relevant to the question.

INFORMATION

- The total mark for this paper is 60.
- The number of marks for each question or part question is shown in brackets [].

This document has **4** pages. Any blank pages are indicated.

Section A

Answer all parts of Question 1.

1 Traffic Control

In 2020 Lagos, Nigeria's largest city, banned the use of motorcycle taxis and tricycles from its most congested areas.

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Plans are in place to extend the system to 400km.

Sources: dailytrust.com, 7 February 2020 and The Daily Telegraph, 3 March 2020

- (a) Explain what is meant by equity and how the ban on motorcycle taxis and tricycles affects equity for commuters in Lagos. [3]
- (b) Explain, with the help of a diagram, what is meant by a negative externality and identify **two** examples of negative externalities from the article. [6]
- (c) From the evidence, consider whether the Singapore quota system or the ERP was more effective in solving the problem of traffic congestion. [6]
- (d) Assess whether government's involvement in the provision of transport systems is because transport is a public good. [5]

Section B

Answer **one** question.

- 2** Evaluate the use of indifference curve analysis to derive the demand curve for a normal good and the demand curve for an inferior good. [20]

OR

- 3** The model of perfect competition is the ideal form of market structure because it is the most efficient.

With the help of diagrams, evaluate this statement. [20]

Section C

Answer **one** question.

- 4** The presence of multinational corporations (MNCs) in a low-income country always promotes economic growth in that country.

Evaluate this statement. [20]

OR

- 5** Consider the relative merits of gross national income (GNI) and the multidimensional poverty index (MPI) as measures of the standard of living. [20]

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