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UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS

International General Certificate of Secondary Education

MARK SCHEME for the June 2005 question paper

0455 ECONOMICS

0455/06 Paper 6 (Alternative to Coursework), maximum mark 40

This mark scheme is published as an aid to teachers and students, to indicate the requirements of the examination. It shows the basis on which Examiners were initially instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began. Any substantial changes to the mark scheme that arose from these discussions will be recorded in the published *Report on the Examination*.

All Examiners are instructed that alternative correct answers and unexpected approaches in candidates' scripts must be given marks that fairly reflect the relevant knowledge and skills demonstrated.

Mark schemes must be read in conjunction with the question papers and the *Report on the Examination*.

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Grade thresholds for Syllabus 0455 (Economics) in the June 2005 examination.

	maximum mark available	minimum mark required for grade:			
		A	C	E	F
Component 6	40	29	20	12	9

The threshold (minimum mark) for B is set halfway between those for Grades A and C.
The threshold (minimum mark) for D is set halfway between those for Grades C and E.
The threshold (minimum mark) for G is set as many marks below the F threshold as the E threshold is above it.
Grade A* does not exist at the level of an individual component.

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June 2005

IGCSE

MARK SCHEME

MAXIMUM MARK: 40

SYLLABUS/COMPONENT: 0455/06

ECONOMICS
(Alternative to Coursework)

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1 **(a)** Four from spectacular scenery, desert, fine beaches, coastal resort, leisure resort, cultural heritage, fine hotels. **[2]**

(b) Candidates should explain what a planned economy is. (2 marks) The government is involved in these projects but they are to be undertaken by the private sector (1 mark). There is some planning, therefore, by the government but Oman is not strictly what the texts define as a planned economy (1 mark for this conclusion) **[4]**

(c) Candidates should comment on the population of a developing country. Likely to have high birth rate and birth rate is likely to be higher than death rate. Reasons for the high birth rate, or high death rate could be given. As the standard of living improves, the death rate is likely to fall but the population growth will probably still result in a higher percentage of younger people than older people. **[4]**

(d) You would need to know the total expenditure available, what happened in the past to the advertising, what type of advertising was successful, where it was placed. You would also need to know from which countries most of the previous clients came. (3 marks) The hotels are described as luxury hotels of a five star international standard. Advertising needs to be directed to high income groups in those countries – or countries with a similar economic standing (3 marks). For an answer which concentrates only on the details about facilities in the hotels – max 2 marks. **[6]**

(e) **(i)** Economic growth can be explained in terms of GDP or in terms of general standard of living. It could be related to conditions in previous periods. 3 for definition, 2 for explanation. **[5]**

(ii) Discussion of balance of benefit between hotel owners, ancillary businesses, those employed, regional development. There is likely to be a general increase in the standard of living, employment opportunities and income as well as profits. The government may well also benefit from increased revenue from taxation, reduced need for benefit payments as employment rises. Tourists also gain. For a simple list up to 4 max. **[7]**

2 **(a)** Candidates should identify two indicators and comment upon their choice. Any two should be accepted if the reason given is appropriate. (2 marks for each indicator). However, the disparities between water supply, electricity and refrigeration – in the hot climate, would seem significant. Some of the other factors could operate through solar energy but electricity is a basic requirement. **[4]**

(b) Candidates should discuss the relative costs of developing and preserving a rural area with the costs of developing the city. The likelihood of employment, the provision of housing, the maintenance of community, the use of rural resources, the extension of medical and housing care and issues of overcrowding and congestion could all be mentioned. Give up to 6 for a one-sided argument. **[8]**

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