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UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS

International General Certificate of Secondary Education

MARK SCHEME for the October/November 2006 question paper

0455 ECONOMICS

0455/06 Paper 6, maximum raw 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 instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began.

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.

The grade thresholds for various grades are published in the report on the examination for most IGCSE, GCE Advanced Level and Advanced Subsidiary Level syllabuses.

- CIE will not enter into discussions or correspondence in connection with these mark schemes.

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1 (a) (i) Definition – must have next best alternative to get both marks. [2]

(ii) Any of: Admissions in hospitals prevent other treatment, policing city centres prevents attention to other areas where burglary takes place, treatment centres prevents money spent on other facilities. (Identification 1, Explanation 1.) [2]

(b) Current extract: Helpful: shows range of harmful effects e.g. health service, accidents, death, illness; with some values of effects and difficulties of calculation. Identifies some benefits of alcohol consumption.
Unhelpful: makes assumptions which may not be justified, does not give values for all of the costs, does not give an overall total cost.
Additional information: Value of benefits, costs of enforcement, other countries' experience, loss of government revenue, impact on employment. Up to 6 marks on the extract, up to 4 marks on additional information. Maximum of 10 marks. [10]

(c) Explanation of operation of policies 2 marks each, evaluation of policy 3 marks each.
5 marks maximum if only one policy considered. Maximum of 9 marks. [9]

2 (a) Company is more efficient and makes more profit so this may result in higher wages for some workers. Specialisation can be boring, repetitive and does not develop range of skills or does not always use worker to best advantage. Maximum of 3 marks if only consider one side (pro or con). [4]

(b) Candidates can mention standard factors such as income, price and substitutes, but could also mention design, features and accessories. Maximum of 2 marks if not related to cars or a list. [4]

(c) Up to 5 marks for investigating cost, labour, land, taxes, grants and transport. Up to 5 marks for investigating the potential sales within immediate area. Maximum of 9 marks.
Give credit for consideration of Toyota's aims. e.g. profit or sales maximisation or for mentioning employment issues and changes in government tax revenues. [9]

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