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UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
International General Certificate of Secondary Education

CANDIDATE NAME

CENTRE NUMBER | | | | | |

CANDIDATE NUMBER | | | | |

6754940542

ECONOMICS **0455/32**

Paper 3 Analysis and Critical Evaluation **October/November 2012**

1 hour 30 minutes

Candidates answer on the Question Paper.

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 **7** printed pages, **1** blank page and **1** Insert.

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

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1 (a) (i) State **two** reasons why some workers are paid more than others.

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.....[2]

(ii) What do the gender gap figures for Japan and Costa Rica indicate?

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(b) Explain **two** costs of poverty indicated in the extract.

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(c) **(i)** Using Table 1, analyse the relationship between the MPI measure and the income measure.

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(ii) Identify **two** possible reasons why Uzbekistan has low poverty on the MPI measure.

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(d) Discuss whether increasing government spending will always reduce poverty.

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.....[8]

[Total: 20]

The extract **'Market changes'** will be needed for this question.

2 **(a)** Identify **two** variable costs for hotel owners mentioned in the extract.

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(b) What does the price elasticity of demand of (–) 1.5 for hotel accommodation mean?

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(c) Explain **two** reasons for the increase in the demand for tickets on Emirates Airline.

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(d) What evidence is there in the extract that the airline industry is **not** operating under conditions of perfect competition?

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.....[4]

(e) Discuss whether the merger between United Airlines and Continental Airlines would benefit air passengers.

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