



UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
International General Certificate of Secondary Education

CANDIDATE
NAME

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CENTRE
NUMBER

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CANDIDATE
NUMBER

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ECONOMICS

Paper 3 Analysis and Critical Evaluation

0455/32

May/June 2013

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.

This document consists of **8** printed pages and **1** Insert.



The extract ‘**Should plastic bags be banned?**’ will be needed for this question.

For
Examiner's
Use

1 (a) (i) Define external costs.

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(ii) Using information from the extract, explain **two** external costs which arise from the use of plastic bags.

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(b) Using a demand and supply diagram, explain the effect a tax imposed on the sale of plastic bags would have on the market for plastic bags.

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(c) Using information from the extract, explain **one** disadvantage of banning plastic bags.

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(d) Calculate the percentage of the plastic bags used worldwide in 2011 which were consumed in the USA.

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(e) Discuss whether an increase in tourism will always benefit a country.

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(b) Using information from the extract, explain **one** reason, in each case, why India's labour force is expected to grow in

(i) quantity,

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(ii) quality.

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(c) Comment on whether the data in Table 1 supports the expected relationship between investment growth and unemployment.

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(d) (i) Using information from the extract, identify **two** functions of commercial banks.

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(ii) Explain **one** other function of a commercial bank.

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(e) Discuss what factors will influence the amount saved in India in the future.

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Additional writing space is on the next page.

