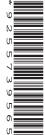


UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS International General Certificate of Secondary Education

CANDIDATE NAME				
CENTRE NUMBER		CANDIDATE NUMBER		



ECONOMICS 0455/31

Paper 3 Analysis and Critical Evaluation

October/November 2011 1 hour 30 minutes

Candidates answer on the Question Paper. Additional Materials: Insert.

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 Exam	iner's Use
1	
2	
Total	

UNIVERSITY of CAMBRIDGE

International Examinations



The extract 'The Brain Drain' will be needed for this question.

For Examiner's Use

1	(a)	What is meant by a 'brain gain'?
		[2]
	(b)	Explain two possible reasons why, in the future, Ghanaian doctors may choose to work in Ghana.
		[4]

(c)	(i)	Using the extract identify:	For
		a private benefit of education	Examiner's Use
		[1]	
		an external benefit of education.	
		[1]	
	(ii)	Explain two policies a government could use to encourage more people to enter higher education.	
		[4]	

(d)	Usi	ng Table 1, identify, relative to its GDP:
	(i)	the country most dependent on remittances
		[1]
	(ii)	the country least dependent on remittances.
		[1]
(e)		cuss what factors should be taken into account when assessing whether an economy uld benefit from the emigration of its workers.
	•••••	
	•••••	
	••••	
		[6]

[Total: 20]

For Examiner's Use The extract 'Microfinance' will be needed for this question.

2

For
Examiner's
1100

(a)	Identify, from the extract, three motives for borrowing.
	[3]
(b)	(i) Explain what is meant by poverty.
	[2]

	(ii)	Apart from the difficulty of borrowing, explain one other disadvantage the extract suggests the poor experience.	For Examiner's Use
		[2]	
(c)	(i)	State two reasons why a conventional commercial bank may be reluctant to lend to the poor.	

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	(ii)	Using a demand and supply diagram, show the effect of increasing loans to poor entrepreneurs on the market for basic, inexpensive capital goods such as sewing machines.	For Examiner's Use
		[3]	
(d)	(i)	What is meant by entrepreneurial skills?	
		[2]	
		Question 2(d)(ii) is on the next page	

else	cuss the factors that affect an individual's choice of whether to work for someone or to start their own business.
	[6]

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