

UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS International General Certificate of Secondary Education

CENTRE NUMBER CANDIDATE NUMBER ECONOMICS CANDIDATE NUMBER O4	Paper 3 Analys	sis and Critical Evaluation	Oct	tober/November 2013 1 hour 30 minutes
NAME CENTRE CANDIDATE	ECONOMICS			0455/31

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.



The extract 'Rising food prices' will be needed for this question.

1 (a) (i) Define equilibrium price.

For
Examiner's
Use

Define equilibrium price.
[2]
[2]
Explain two possible reasons why the price of rice rose in some countries but fell in other countries.
[4]

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(b)	Using a demand and supply diagram, explain the effect of a rise in the price of oil on the market for food.	For Examiner's Use
	[4]	

(c)	(i)	Calculate the weighting of food in Uganda's Consumer Prices Index.	For
			Examiner's Use
		[2]	
	(ii)	Why do rising food prices harm the poor more than the rich?	
		[O]	
		[2]	
(d)		cuss what information you would need to assess whether inflation will be harmful to economy.	

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(c)	Using information from the extract, identify two reasons why the lifetime wages of workers who experienced unemployment when young are likely to be below average.	For Examiner's Use
	[2]	
(d)	Explain why a cut in income tax may reduce unemployment.	
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