

UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS International General Certificate of Secondary Education

CANDIDATE NAME					
CENTRE NUMBER			CANDIDATE NUMBER		

748913374

ECONOMICS 0455/31

Paper 3 Analysis and Critical Evaluation

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.



The extract 'Hong Kong's minimum wage' will be needed for this question.

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(a)	(i)	Identify two ways in which a sole proprietor differs from a multinational company.
		[2]
	(ii)	Why may a sole proprietor have low total costs and high average costs?
		[2]
(b)		culate the percentage increase in the average pay of workers in fast food outlets in g Kong in 2011.
		[2]

[4] Ising information from the extract, explain two reasons why the introduction of a ational minimum wage may raise labour productivity.		
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	[4]	
(e)	Discuss what information you would need to assess whether people will seek to work as street cleaners in Hong Kong in the future.	
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			U
		[6]	
		[Total: 20]	
The	extr	act 'Does Iran's future lie with oil?' will be needed for this question.	
2	(a)	What percentage of the global output of oil in 2010 was produced by Iran?	
		[2]	
	(b)	Using information from the extract, comment on whether Iran was producing on or inside its production possibility curve in 2011.	
		[2]	

(c)		ng the data in Table 1, and assuming production continues at the same rate as in 0, state which country would
	(i)	run out of reserves first,
		[1]
	(ii)	be able to continue to produce oil for the longest period of time.
		[1]
(d)	Ехр	lain two reasons why governments impose taxes.

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For Examiner's Use

(e)	Using a demand and supply diagram, explain the effect of an increase in income on the market for a luxury product.	For Examiner's Use
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Question 2(f) is on the next page.

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