



UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS International General Certificate of Secondary Education

| CANDIDATE NAME | | | | | |
|-------------------|--|--|------------------|--|--|
| CENTRE NUMBER | | | CANDIDATE NUMBER | | |

610973843

ECONOMICS 0455/32

Paper 3 Analysis and Critical Evaluation

May/June 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 | |

This document consists of 8 printed pages and 1 Insert.



The extract 'Is China's economic growth sustainable?' will be needed for this question.

For Examiner's Use

| 1 | (a) | Sta | te two influences on the demand for a country's exports. |
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| | | | [2] |
| | (b) | ldei | ntify two possible reasons why the Chinese savings ratio may fall in the future. |
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| | | | [2] |
| | (c) | (i) | What is meant by cyclical unemployment? |
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| | | | [2] |

| Describe the relationship between unemployment and inflation shown in Table 1. [1] Explain one possible reason for the relationship described in (d)(i). | explain one consequence of unemployment referred to | in the extract. |
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| Describe the relationship between unemployment and inflation shown in Table 1. [1] Explain one possible reason for the relationship described in (d)(i) . | | |
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| Discuss what factors are likely to influence whether unemployment will rise in China in the future. |
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[Total: 20]

For Examiner's Use

(e)

The extract 'Japan's population problem' will be needed for this question.

For Examiner's Use

| 2 | (a) | Calc | culate the estimated percentage fall in the Japanese population from 2008 to 2050. |
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| | | | [1] |
| | (b) | Iden | tify: |
| | | (i) | one cause of a decline in population size not mentioned in the extract |
| | | | [1] |
| | | (ii) | two possible causes of the change in Japan's death rate. |
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| | (c) | Wha | at is meant by the labour force? |
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| (d) | Explain, using a demand and supply diagram, the likely effect of an ageing population on the price of residential care. | For Examiner's Use |
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| (e) | Explain why raising the retirement age would be expected to raise tax revenue. | |
|-----|--|-------------------|
| (-) | 2xplain my raising the retirement age means to expected to raise tax revenue. | For Examiner's |
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Question 2 (f) is on the next page

[Total: 20]

| scuss the information you would need to assess whether a rise in a count e would benefit its economy. | iys birtir |
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(f)