



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	

This document consists of 8 printed pages and 1 Insert.



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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