



UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
International General Certificate of Secondary Education

CANDIDATE
NAME

CENTRE
NUMBER

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CANDIDATE
NUMBER

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ECONOMICS

0455/32

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 Examiner's Use

1	
2	
Total	

This document consists of **8** printed pages and **1** Insert.



The extract '**Diamond mining in Sierra Leone**' will be needed for this question.

For
Examiner's
Use

- 1 (a) (i) Calculate Sierra Leone's Human Development Index (HDI) value in 2008.

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.....[1]

- (ii) Identify **two** components of the HDI.

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- (b) (i) What is the formula for calculating price elasticity of demand?

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- (ii) Explain whether the extract suggests that the demand for diamonds is price elastic or price inelastic.

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- (c) Using a demand and supply diagram, analyse the effect of the change in the number of diamond mines in 2008 on the market for diamonds.

For
Examiner's
Use

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- (d) Identify from the extract **two** examples of factors of production changing their use.

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The extract '**The changing fate of the Philippines**' will be needed for this question.

For
Examiner's
Use

- 2 (a) Define labour productivity.

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- (b) (i) What has happened to a country's real GDP if its economic growth rate has fallen from 7.3% to 4.6%?

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- (ii) Using information from the extract, explain why the Philippines' economy was **not** seriously affected by the global recession (economic downturn) in 2008.

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[illegible]

[Turn over

[Total: 20]

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