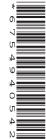




UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS International General Certificate of Secondary Education

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



ECONOMICS 0455/32

Paper 3 Analysis and Critical Evaluation

October/November 2012
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.

| For Examiner's Use | | |
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| 1 | | |
| 2 | | |
| Total | | |

This document consists of 7 printed pages, 1 blank page and 1 Insert.



The extract 'Poverty' will be needed for this question.

| For |
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| 1 | (a) | (i) | State two reasons why some workers are paid more than others. |
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| | | | [2] |
| | | (ii) | What do the gender gap figures for Japan and Costa Rica indicate? |
| | | (, | What do the gender gap ligated for dapair and doctar that indicate. |
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| | | | [2] |
| | (b) | Exn | lain two costs of poverty indicated in the extract. |
| | (6) | LAP | nam two costs of poverty indicated in the extract. |
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| (c) | (i) | Using Table 1, analyse the relationship between the MPI measure and the income measure. |
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| | (ii) | Identify two possible reasons why Uzbekistan has low poverty on the MPI measure. |
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| | iscuss whether increasing government spending will always reduce poverty. |
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| [Total: 2 | 20] |
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| ct 'Market changes' will be needed for this question. | |
| dentify two variable costs for hotel owners mentioned in the extract. | |
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| | [0] |
| Vhat does the price elasticity of demand of (-) 1.5 for hotel accommodation mean? | [2] |
| | [2] |
| What does the price elasticity of demand of (–) 1.5 for hotel accommodation mean? | |
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| What does the price elasticity of demand of (–) 1.5 for hotel accommodation mean? | |
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| Vhat does the price elasticity of demand of (–) 1.5 for hotel accommodation mean? | |
| What does the price elasticity of demand of (–) 1.5 for hotel accommodation mean? | |

| (c) | Explain two reasons for the increase in the demand for tickets on Emirates Airline. | For |
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| (d) | What evidence is there in the extract that the airline industry is not operating under conditions of perfect competition? | |
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| (e) | Discuss whether the merger between United Airlines and Continental Airlines would benefit air passengers. | |
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[Total: 20]

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