



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

0455/33

Paper 3 Analysis and Critical Evaluation

October/November 2010

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 **9** printed pages, **3** blank pages and **1** Insert.



The extract '**The power of Gazprom**' will be needed for this question.

- 1 (a) Draw a demand and supply diagram to show the effect of an increase in demand for gas on the world market for gas.

[3]

- (b) Using information from the extract, explain why Gazprom's share price may have fallen in 2009.

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- (c) (i) Give **two** reasons why a firm may borrow.

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[2]

- (ii) What effect might Gazprom's spending on building new pipelines have on the company's profits in the short term and long term?

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- (d) Why might the best engineers want to work for Gazprom?

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- (e) (i) Comment on how close Gazprom was to being a monopoly in 2008.

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- (ii) Discuss the information you would need in order to assess whether a monopoly is benefiting consumers.

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[Total: 24]

The extract ‘Information on Gross Domestic Product (GDP), Human Development (HDI), foreign aid and health expenditure in selected countries’ will be needed for question.

- 2 (a) Economists expect countries which have a high GDP per head to have a high HDI value. Does the information in the extract support this expected relationship?

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- (b) Explain why a country may have a relatively high GDP per head but a relatively low value.

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- (c) (i) Explain how a country's level of GDP per head might be expected to affect the level of foreign aid received per head.

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- (ii) Does the information in the extract confirm this expected relationship between per head and the level of foreign aid received per head?

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- (d) Of the countries shown, Sierra Leone had the lowest spending on health care per head and the lowest GDP per head. Discuss what factors will influence whether a rise in spending on health care would increase real GDP per head.

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[Total: 16]

