

JUNE 2002

INTERNATIONAL GCSE

MARK SCHEME

MAXIMUM MARK : 40

SYLLABUS/COMPONENT : 0455/6
ECONOMICS
(ALTERNATIVE TO ASSESSMENT)



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1.a i) primary

ii) any other relevant industry

b) i) 600m kilos

ii) 252m kilos

c) Comment on the fact that coffee accounts for 2/3rds of Uganda's export earnings, that they rely almost on one product, that they are unlikely to be able to influence price producing only 4% of global supply, and that they are dependent on price changes on the international market.

d) Need to consider the percentage/absolute numbers employed in coffee production, whether changes in other production/prices/demand compensated for changes in coffee. Need to consider changes in other export earnings, extent to which country relies on exports rather than production for home consumption. Need to make comparisons before and after price changes.

e) i) Slump in western economies, general fall in demand. Price falls further. On diagram demand should shift. 2 for explanation, 2 for diag.

ii) supply decreased due to frost. Supply curve decrease. No information about demand, but may be recovering after slump in previous years. Price should rise. 2 diagram 2 explanation.

f) Overall price trend is downward. Coffee has not been cheap during the whole of the last 15 years though. There were periods when prices temporarily rose. Explanation of causes of these changes from information on the chart.

2. a) Direct related to income or company profits, indirect on goods/services, (1), two examples from text (2)

b) Extent of compensating changes – indirect taxes up, direct taxes down, benefits up. Extent to which tax changes resulted in price rises by firms – whether the compensating changes to firms prevented this. Extent of increase in general inflation.