



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

Paper 3 Analysis and Critical Evaluation

0455/31

May/June 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	
1	
2	
Total	

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



The extract '**Russia's tax on imported cars**' will be needed for this question.

1 (a) What method of protection does Russia use to protect its car industry?

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..... [1]

(b) Using information from the extract, explain **one** reason why Russian car manufacturers have become less internationally competitive.

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(c) Explain **two** reasons why a multi-national car company may want to set up in a country.

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(d) (i) What relationship would economists expect to find between changes in the value of exports and changes in the current account of the balance of payments?

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(ii) Comment on the relationship shown in Table 1.

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[Total: 20]

The extract '**Changes in the Kenyan tea market**' will be needed for this question.

2 (a) Identify, from the extract, **two** influences on the demand for tea.

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..... [2]

(b) (i) Explain what is likely to have happened to the price of Kenyan tea in 2009.

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..... [2]

(ii) Explain what is likely to have happened to the price of Kenyan tea in 2010.

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(c) Using information from the extract, explain **two** reasons why Kenyan tea pickers may want to switch to other jobs.

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[Total: 20]

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