



UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS  
International General Certificate of Secondary Education

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**ECONOMICS**

**0455/03**

Paper 3 Analysis and Critical Evaluation  
SPECIMEN INSERT

**For Examination from 2009**

**1 hour 30 minutes**

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**READ THESE INSTRUCTIONS FIRST**

This Insert contains extracts for Questions 1 and 2.

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This document consists of **2** printed pages.



## Extract for Question 1

### Bad to the last drop

Drinking bottled water has become popular in developed countries. In 2004, over \$44 billion was spent on bottled water. A litre of bottled water costs at least 250 times as much as tap water, often cannot be distinguished from tap water and some brands contain the same chemicals as tap water which people think they have paid to avoid. In developed countries water is fashionable; the practice of carrying a small bottle of water is now almost as common as carrying a cell (mobile) phone.

By contrast, in developing countries there is often no tap water. 40% of the world's population lack basic sanitation and 1 billion people do not have safe drinking water. The World Health Organisation estimates that 80% of illness in the world is due to water-borne diseases and in the developing countries 5 million die from inadequate water or poor sanitation each year.

Illness means lower productivity, greater dependence on aid from other countries and more poverty. In some countries the main reason why girls do not go to school is that they have to spend a lot of time fetching water from distant wells.

The International Water Management Institute (IWMI) estimates that everyone could have clean water if, each year, an extra \$1.7 billion was spent on water projects. Improved sanitation could be achieved by spending a further \$9.3 billion each year.

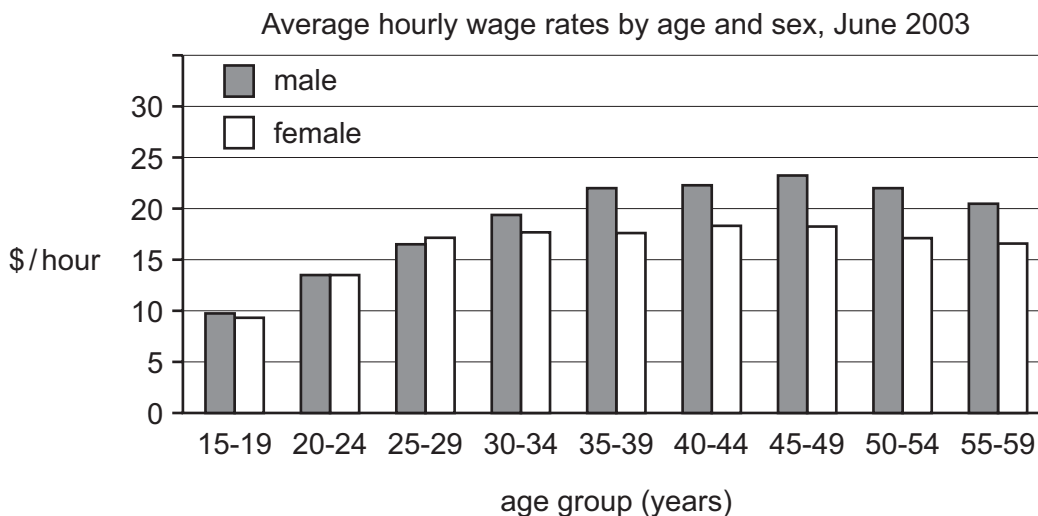
It would, therefore, be better for everyone and a better use of resources if the developed world stopped spending money on bottled water, drank the safe tap water instead and the money was used to improve water supplies in developing countries.

## Extract for Question 2

### Wage Rates in New Zealand

In New Zealand in June 2003 the average hourly wage rate was \$17.82. Male workers earned on average \$19.02 an hour and female workers on average \$16.57 an hour. After adjusting for the effects of inflation average hourly earnings increased by \$1.66 an hour (10%) in the six years to June 2003.

The chart below gives average hourly wage rates in New Zealand in June 2003.



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