



UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
International General Certificate of Secondary Education

CANDIDATE
NAME

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CENTRE
NUMBER

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CANDIDATE
NUMBER

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ECONOMICS

0455/03

Paper 3 Analysis and Critical Evaluation
SPECIMEN PAPER

For Examination from 2009

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.

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 **7** printed pages, **1** blank page and **1** insert.



The extract 'Bad to the last drop' will be needed for this question.

For
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1 (a) (i) The extract states that the lack of pure water causes illness and that this reduces productivity. Explain what a reduction in productivity means.

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..... [2]

(ii) Why might a reduction in productivity lead to greater dependence on aid from other countries?

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(b) Explain, using a diagram, how, according to economic analysis, a change in the price of a product would influence its demand.

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(c) Use two demand and supply diagrams, one for bottled water and one for a substitute, to explain how a decrease in the supply of bottled water would influence the market for the substitute.

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(d) (i) Analyse why a person might prefer to buy a particular good rather than a substitute.

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(ii) Discuss whether your analysis is supported by the information given in the extract about tap water and bottled water.

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(e) Use the figures provided by the IWMI to calculate the percentage of the money currently spent on bottled water that would be required to improve water and sanitation in developing countries. Show your working.

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[2]

- (f) Discuss what you would need to find out in order to check the conclusion at the end of the extract that resources could be better used for the benefit of everyone.

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[8]

[Total: 29]

- (c) An employer stated that the extract is incorrect, and actually the average hourly earnings in New Zealand increased by **more** than \$1.66 (10 %) during the six year period to June 2003. Could the information be used to support his claim?

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[Total: 11]

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