



UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
International General Certificate of Secondary Education

CANDIDATE
NAME

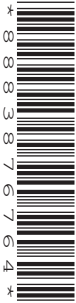
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CENTRE
NUMBER

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CANDIDATE
NUMBER

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ECONOMICS

0455/31

Paper 3 Analysis and Critical Evaluation

October/November 2013

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.

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



The extract 'Rising food prices' will be needed for this question.

For
Examiner's
Use

1 (a) (i) Define equilibrium price.

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(ii) Explain **two** possible reasons why the price of rice rose in some countries but fell in other countries.

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(c) (i) Calculate the weighting of food in Uganda's Consumer Prices Index.

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(ii) Why do rising food prices harm the poor more than the rich?

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(d) Discuss what information you would need to assess whether inflation will be harmful to an economy.

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(c) Using information from the extract, identify **two** reasons why the lifetime wages of workers who experienced unemployment when young are likely to be below average.

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(d) Explain why a cut in income tax may reduce unemployment.

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[Total: 20]

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