



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

0455/31

Paper 3 Analysis and Critical Evaluation

May/June 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 'Hong Kong's minimum wage' will be needed for this question.

1 (a) (i) Identify **two** ways in which a sole proprietor differs from a multinational company.

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(ii) Why may a sole proprietor have low total costs and high average costs?

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(b) Calculate the percentage increase in the average pay of workers in fast food outlets in Hong Kong in 2011.

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- (e) Discuss what information you would need to assess whether people will seek to work as street cleaners in Hong Kong in the future.

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[Total: 20]

The extract '**Does Iran's future lie with oil?**' will be needed for this question.

2 (a) What percentage of the global output of oil in 2010 was produced by Iran?

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(b) Using information from the extract, comment on whether Iran was producing on or inside its production possibility curve in 2011.

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(c) Using the data in Table 1, and assuming production continues at the same rate as in 2010, state which country would

(i) run out of reserves first,

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(ii) be able to continue to produce oil for the longest period of time.

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(d) Explain **two** reasons why governments impose taxes.

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