

UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS International General Certificate of Secondary Education

MARK SCHEME for the May/June 2008 question paper

0455 ECONOMICS

0455/06

Paper 6 (Alternative to Coursework), maximum raw mark 40

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began.

All Examiners are instructed that alternative correct answers and unexpected approaches in candidates' scripts must be given marks that fairly reflect the relevant knowledge and skills demonstrated.

Mark schemes must be read in conjunction with the question papers and the report on the examination.

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UNIVERSITY of CAMBRIDGE International Examinations

Р	age 2	2	Mark Scheme	Syllabus	Paper
			IGCSE – May/June 2008	0455	06
(a) Co	nside	r if the company produces and owns facilities in an	other country.	
(b			market, area covered, whether they have organis ea, whether they were able to raise the necessary f		perate in
(c			eries were mainly to rural areas (89%) and on aver ost. The implication is that the government wishes		
(d	l) (i)		ark for labels, 1 mark for shift of supply for tax, 1 k for showing new equilibrium prices, 2 marks for e		bsidy. 1
	(ii)	they reve reve com	y may not lose business as they may operate in a v keep their business they are likely, initially, to enue increases. They may, however, have power t enue will increase. Whether this happens could o petition in the industry. They say there is comp rges might not be very high.	b be worse off unl to increase their cha depend on the exte	ess their rges and nt of the
		How Posi likel	vever, there are also proposals for greater regula t a monopoly over some letters. If these are also y to be worse off. Candidates should form a cond uncertain. No conclusion, maximum of 7 marks.	implemented then	they are
(a	hea	ad. F	n of GDP, 1 mark. Explain the link between GDP Rise in GDP might mean a more even distributio ome groups have a higher income.		
(b	wil	l have	are not per head. Population is not given, but it is a higher income per head. The GDP is not mucl different.		
(c) (i)	A pe	ersistent general increase in the average price leve	9 1 .	
	(ii)	high grov	ha has the highest growth rate but the lowest inflatest growth rate but the highest inflation. The two wth rates (Germany and France) do have low inflates s not appear in all cases and the evidence is incon	vo countries with th tion rates. So, the s	e lowest
(d	une alti is Co rate gro	emplo nough relativ nfusir e, and owth is	any and France there is relatively low GDP groupyment. This would support the idea but there are the figures do compare a change in that year. He vely low but the unemployment is not as high ngly though, there is a high growth rate in India but d China does not have the lowest unemployments the highest.	re only figures for o owever, the UK's gro as France and C ut also a high unem nt rate although the	one year, owth rate Germany. ployment e rate of

Overall, there are no figures for other years which are necessary for a full picture, and even the ones given that show the change in one year do not necessarily support the idea that high GDP leads to low unemployment.

[6]