



# Cambridge International AS & A Level

## ECONOMICS

9708/42

Paper 4 A Level Data Response and Essays

October/November 2023

2 hours



You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

### INSTRUCTIONS

- Answer **three** questions in total:
  - Section A: answer Question 1.
  - Section B: answer **one** question.
  - Section C: answer **one** question.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.
- You may use a calculator.
- You may answer with reference to any economy you have studied where relevant to the question.

### INFORMATION

- The total mark for this paper is 60.
- The number of marks for each question or part question is shown in brackets [ ].

This document has 4 pages. Any blank pages are indicated.

## Section A

Answer all parts of Question 1.

### 1 Traffic Control

In 2020 Lagos, Nigeria's largest city, banned the use of motorbikes and taxis from its most congested areas.

Content removed due to copyright restrictions.

Plans are in place to extend the scheme to 400km<sup>2</sup>.

Sources: *dailytrust.com*, 7 February 2020 and *The Daily Telegraph*, 3 March 2020

- (a) Explain what is meant by equity and how the ban on motorbikes and taxis affects equity for commuters in Lagos. [3]
- (b) Explain, with the help of a diagram, what is meant by a negative externality and identify two examples of negative externalities from the article. [6]
- (c) From the evidence, consider whether the Singapore quota scheme or the ERP was more effective in solving the problem of traffic congestion. [6]
- (d) Assess whether government's involvement in the provision of transport schemes is because transport is a public good. [5]

3

**Section B**Answer **one** question.

- 2 Evaluate the use of indifference curve analysis to derive the demand curve for a normal good and the demand curve for an inferior good. [20]

**OR**

- 3 The model of perfect competition is the ideal form of market structure because it is the most efficient.

With the help of diagrams evaluate this statement. [20]

**Section C**Answer **one** question.

- 4 The presence of multinational corporations (MNCs) in a low-income country always promotes economic growth in that country.

Evaluate this statement. [20]

**OR**

- 5 Consider the relative merits of gross national income (GNI) and the multidimensional poverty index (MPI) as measures of the standard of living. [20]

**BLANK PAGE**

---

Permission to reproduce items where third-party owned material protected by copyright is included has been sought and bearing where possible. Every reasonable effort has been made by the publisher (UCLES) to trace copyright holders but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest possible opportunity.

To avoid the issue of disclosure of answer-related information to candidates all copyright acknowledgements are reproduced online in the Cambridge Assessment International Education Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download at [www.cambridgeinternational.org](http://www.cambridgeinternational.org) after the live examination series.

Cambridge Assessment International Education is part of Cambridge Assessment. Cambridge Assessment is the brand name of the University of Cambridge Local Examinations Syndicate (UCLES), which is a department of the University of Cambridge.