Private home ownership is increasing in China. For years the urban Chinese relied on overcrowded housing rented from the state and often waited a long time to have their own apartment. Now, with the increase in the market economy, the government is encouraging city-dwellers to buy their own homes by giving cheap loans and tax-relief. Home buying will help China’s economy. New home-owners need to spend money on furniture, appliances and decorating. GDP grew by 8% in 1999, of which the housing industry contributed about a fifth.

The housing changes will affect social and political issues as well as the economy. In the old system people had to live close to their work, and it was difficult to change jobs because no other housing was available. Single people had no hope of being allocated an apartment. Now anyone with money can buy a home and choose where they wish to live.

(a) Explain what is meant by the market economy. [4]

(b) Explain the meaning of complements and substitutes, giving an example of each from the passage. [4]

(c) Identify four factors that might influence a worker’s choice of occupation. [4]

(d) How far do you think the change in the provision of housing is likely to affect a worker’s choice of occupation? [3]

(e) Discuss whether the change in the provision of housing is likely to benefit everybody. [5]
The mining and export of minerals and precious stones is a very important part of the Namibian economy. It was reported that despite a sharp decrease in the quantity of these exports between 1995 and 1999 the export value of the items rose in that period.

(a) Where would the minerals and precious stones be recorded in the Namibian balance of payments?  [2]

(b) Discuss whether it is beneficial for a country to specialise in the production and export of a limited range of products.  [8]