

Cambridge International AS & A Level

ECONOMICS 9708/42

Paper 4 A Level Data Response and Essays

May/June 2025

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.

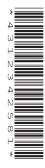
Section B: answer one question.

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 [].



Section A

Answer all parts of Question 1.

1 Global carbon emissions

A key message of the 2021 World Climate Summit was that the use of coal must be phased out for the good of the planet.

Content removed due to copyright restrictions.

© UCLES 2025 9708/42/M/J/25

Content removed due t	copyright	restrictions.
-----------------------	-----------	---------------

Instead, a mixture of renewable energies will be required to achieve zero-carbon

Sources: The Sunday Times, 17 October 2021 The Times, 26 October and 24 November 2021 nsenergybusiness.com, 4 November 2021

- (a) Define economic sustainability and give **one** example from the information of a change that can be used to illustrate it. [2]
- (b) Use the information to comment on the possible effects on the economies of the countries that refused to sign the carbon policy agreement. [4]
- (c) Discuss why the article says that 'China is a country of contradictions'. [4]
- (d) With the help of a marginal social cost and benefit diagram discuss whether the continued use of coal to produce electricity makes the achievement of allocative efficiency less likely.

 [10]

Section B

Answer one question.

EITHER

2 Monopolies restrict output to raise prices to exploit consumers.

With the help of a diagram, assess the extent to which a government should intervene in monopoly markets. [20]

OR

With the help of a diagram, assess whether the impact of an increase in labour productivity on the wages and employment of a firm is likely to be greater in a perfectly competitive labour market than in an imperfectly competitive labour market. [20]

Section C

Answer one question.

EITHER

With the help of an injections and withdrawals graph, assess the impact of a decrease in interest rates on the level of employment in an economy. [20]

OR

5 Globalisation will have an equally beneficial effect on the standard of living in both high-income and low-income countries.

Evaluate this statement. [20]

Permission to reproduce items where third-party owned material protected by copyright is included has been sought and cleared 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 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.

© UCLES 2025 9708/42/M/J/25