

Candidate Forename						Candidate Surname					
Centre Number						Candidate Number					

OXFORD CAMBRIDGE AND RSA EXAMINATIONS
GENERAL CERTIFICATE OF SECONDARY EDUCATION

1985/02

ECONOMICS

Paper 2 (Foundation Tier)

TUESDAY 15 JUNE 2010: Morning

DURATION: 1 hour 30 minutes

SUITABLE FOR VISUALLY IMPAIRED CANDIDATES

Candidates answer on the Question Paper

OCR SUPPLIED MATERIALS:

Clean copy of case study (1985/02 & 04(CS))

OTHER MATERIALS REQUIRED:

Calculators may be used

READ INSTRUCTIONS OVERLEAF

INSTRUCTIONS TO CANDIDATES

- Refer to the Case Study given in a separate booklet.
- Write your name clearly in capital letters, your Centre Number and Candidate Number in the boxes on the first page.
- Use black ink. Pencil may be used for graphs and diagrams only.
- Read each question carefully and make sure that you know what you have to do before starting your answer.
- Answer ALL the questions.
- Show your workings for ALL calculations.
- Write your answers to each question in the space provided. If additional space is required, you should use the lined pages at the end of this booklet. The question number(s) must be clearly shown.

INFORMATION FOR CANDIDATES

- The number of marks is given in brackets [] at the end of each question or part question.
- The total number of marks for this paper is 80.
- The quality of your written communication will be taken into account when marking your answers to questions labelled with an asterisk (*).

BLANK PAGE

QUESTION 1

Use Figs. 1 and 2 to answer the following questions.

- 1 (a) Calculate the percentage UK market share held by the five largest mobile phone manufacturers. Show your working.**

[2]

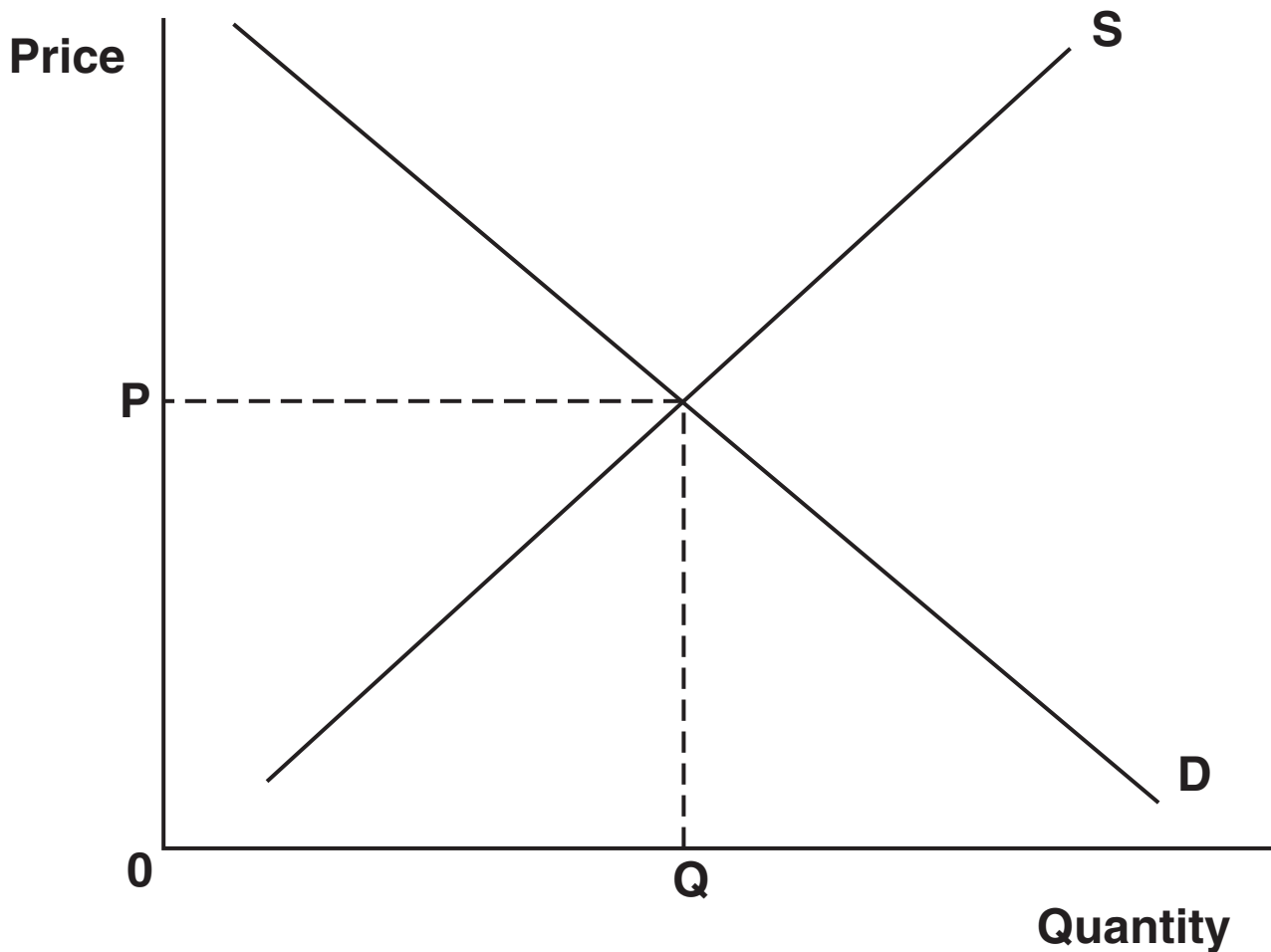
[illegible]

TOTAL MARK 8

QUESTION 2

Use Fig. 3 to answer the following question.

- 2 Using the demand and supply diagram below, explain how a successful advertising campaign for iPhones will affect the price and quantity sold of iPhones.



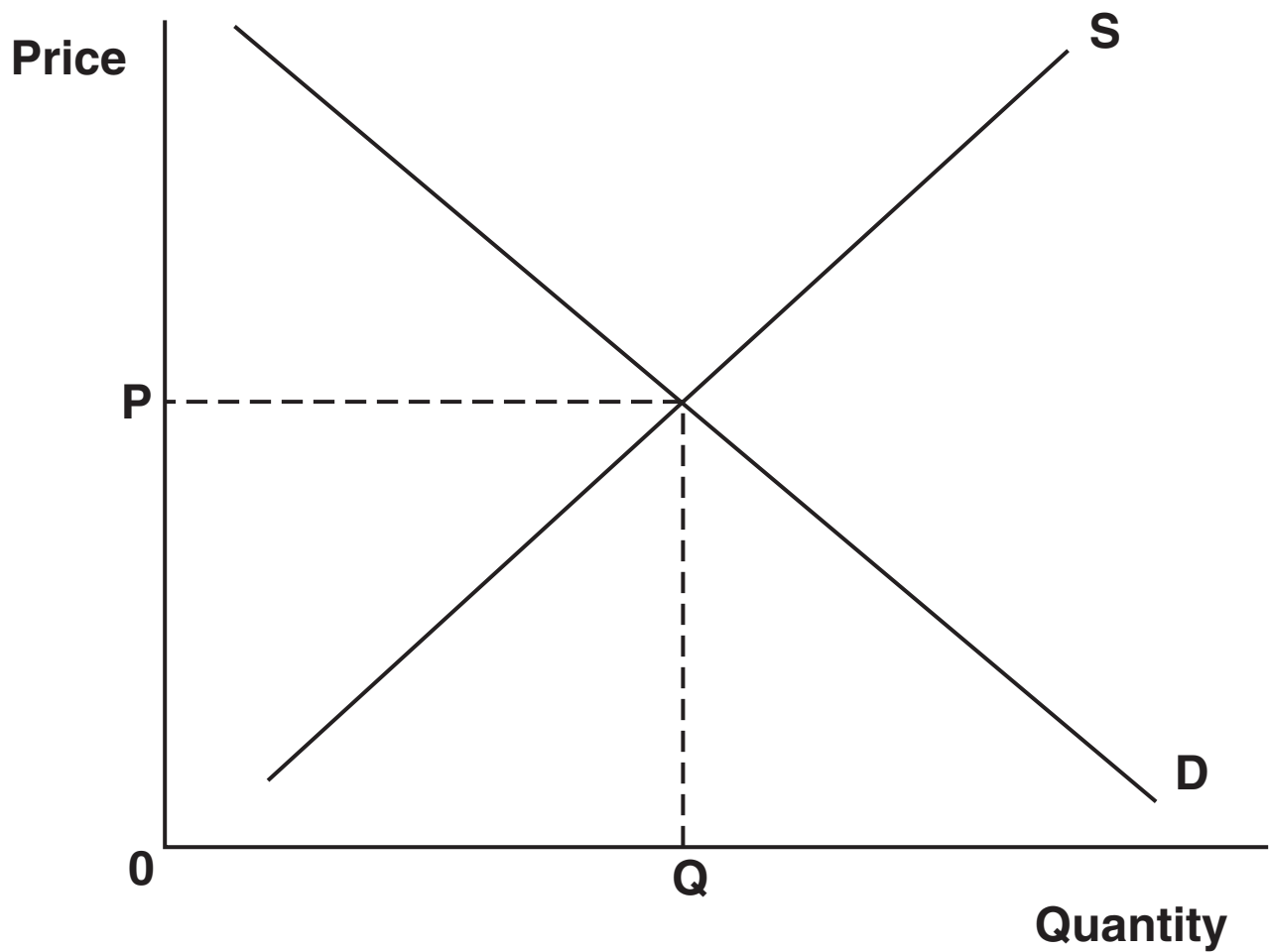
[5]

TOTAL MARK 5

QUESTION 3

Use Fig. 4 to answer the following questions.

- 3 (a) Using the demand and supply diagram below, show how a subsidy to firms would affect the market price for mobile phones.



[2]

[6]

TOTAL MARK 8

QUESTION 4

Use Fig. 5 to answer the following questions.

- 4 (a) The descriptions below are of two types of unemployment that might occur due to the closure of the Bochum factory. Match each description with the correct type of unemployment.**

FRICTIONAL

STRUCTURAL

VOLUNTARY

DESCRIPTION	TYPE OF UNEMPLOYMENT
Unemployment caused by the permanent closure of the mobile phone factory in Bochum.	
Unemployment caused whilst the factory workers are seeking new work in Bochum.	

[2]

(b) Explain THREE possible economic reasons why Nokia may prefer to locate mobile phone production in Romania rather than in Germany.

Reason 1 _____

Explanation _____

Reason 2 _____

Explanation _____

Reason 3 _____

Explanation _____

_____ **[6]**

[6]

TOTAL MARK 14

QUESTION 5

Use Fig. 6 to answer the following questions.

- 5 (a) Ray is 17 years old and works in a mobile phone shop for eight hours one day a week. He earns the minimum wage. Calculate by how much his daily wage will rise as a result of the change in the national minimum wage. Show your working.**

[2]

[illegible]

14

QUESTION 6

Use Fig. 7 to answer the following questions.

- 6 (a) Fig. 7 states ‘Data points to a weaker UK economy’. Circle the TWO pieces of data that support this headline.**

Budget deficit is rising

Current account goes into surplus

Economic growth rising

Unemployment on the rise

[2]

- (b) Discuss how the UK government could stimulate the UK economy through changes in government spending and taxation.**

[8]

TOTAL MARK 10

QUESTION 7

Use Fig. 8 to answer the following questions.

- 7 (a) Describe what happened to inflation as measured by the RPI between August 2007 and February 2009.**

[3]

[illegible]

TOTAL MARK 9

QUESTION 8

***8 Mobile phone manufacturers are concerned about the changes in the UK and how these will affect the mobile phone market. Using the information in the case study and your own knowledge of economics, discuss whether the manufacturers are right to be concerned. Give reasons for your answer.**

[illegible]

[illegible]

[12+2]

TOTAL MARK 14

[illegible]

[illegible]

[illegible]



OCR is part of the Cambridge Assessment Group; Cambridge Assessment is the brand name of University of Cambridge Local Examinations Syndicate (UCLES), which is itself a department of the University of Cambridge.