

Candidate Forename		Candidate Surname	
Centre Number		Candidate Number	

**OXFORD CAMBRIDGE AND RSA EXAMINATIONS
GENERAL CERTIFICATE OF SECONDARY EDUCATION**

**1985/04
ECONOMICS**

**Paper 4
(Higher Tier)**

MONDAY 22 JUNE 2009: Afternoon

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

- 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 answer to each question in the space provided.
- Additional answer space is available on the lined pages at the back of the book.

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 (*).

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QUESTION 1

Use the Introduction to the Case Study to answer the following questions.

- (a) State TWO reasons for the increase in demand in tourism in the last few decades.**

1. _____

2. _____

_____ **[2]**

- (b) Explain how ONE of your reasons stated in part (a) may cause an increase in tourism.**

Reason chosen: _____

Explanation: _____

_____ **[2]**

TOTAL MARK 4

QUESTION 2

Use Fig. 1 and your economic knowledge to answer the following question.

Explain TWO possible ECONOMIC reasons why more people holiday in Spain than in the Czech Republic.

1. _____

2. _____

_____ **[4]**

TOTAL MARK 4

QUESTION 3

Use Fig. 2 to answer the following question.

Calculate the percentage increase in the number of foreign tourists visiting the UK between 1990 and 2005. Show your working.

[3]

TOTAL MARK 3

QUESTION 4

Use Fig. 3 to answer the following questions.

- (a) By merging with My Travel, Thomas Cook hopes to achieve economies of scale. Explain what is meant by economies of scale.**

[2]

[illegible]

[8]

TOTAL MARK 10

QUESTION 5

Use Fig. 4 to answer the following question.

Discuss how package holiday companies such as My Travel and Thomas Cook could compete with other package holiday companies and low-cost airlines.

[illegible]

[8]

TOTAL MARK 8

QUESTION 6

Use Fig. 5 to answer the following questions.

Choose ONE headline from pair B. Using a demand and supply diagram, discuss how this would affect the UK tourism market.

Headline Chosen: _____

[6]

TOTAL MARK 6

QUESTION 7

Use Fig. 6 to answer the following questions.

- (a) Explain, with the aid of examples, the difference between a private cost and an external cost.**

[4]

- *(b) Discuss the possible measures which the Spanish government could introduce to reduce the external costs of tourism.**

[8+2]

TOTAL MARK 14

QUESTION 8

Use Figs. 7 and 8 to answer the following questions.

- (a) Describe the change in the exchange rate of the £ against the US\$ between April 2005 and July 2007.**

[3]

- (b) Explain how an increase in UK interest rates may cause the value of the pound to increase against the US\$. You may wish to use a supply and demand diagram to illustrate your answer.**

[4]

TOTAL MARK 7

QUESTION 9

Use Fig. 9 to answer the following questions.

(a) Explain what is meant by a public good.

[2]

[illegible]

[6]

*QUESTION 10

Using Figs. 10, 11, 12, the rest of the information in the case study and your economic knowledge, discuss the extent to which attracting tourists to the UK might affect the performance of the UK economy.

[illegible]

[illegible]

[14+2]

TOTAL MARK 16

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