

GENERAL CERTIFICATE OF SECONDARY EDUCATION

ECONOMICS

1985/02

Paper 2
(Foundation Tier)

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

Monday 22 June 2009

Afternoon

Duration: 1 hour 30 minutes



Candidate
Forename

Candidate
Surname

Centre Number

Candidate Number

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 above.
- 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.
- Do **not** write in the bar codes.

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 (*).
- This document consists of **16** pages. Any blank pages are indicated.



**A calculator may
be used for this
paper**

Examiner's Use Only:

1		9	
2		10	
3			
4			
5			
6			
7			
8			
Total			

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 questions.

- (a) State which country has the largest increase in the number of foreign tourists between 1990 and 2005.

.....
..... [1]

- (b) Calculate the change in the number of foreign tourists visiting the UK between 1990 and 2005. Show your working.

.....
.....
.....
..... [2]

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.

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.....

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..... [2]

- (b) State **one** possible economy of scale for the merged My Travel and Thomas Cook.

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..... [1]

- (c) Do you agree that package holiday customers might benefit from this merger? Give reasons for your answer.

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..... [4]

- (d) Do you agree that My Travel and Thomas Cook will benefit from this merger? Give reasons for your answer.

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..... [4]

TOTAL MARK 11

Question 5

Use Fig. 4 to answer the following question.

Low-cost airlines compete with other firms on price. Discuss whether this is the best way for firms to compete.

[8]

[8]

TOTAL MARK 8

Question 6

Use Fig. 5 to answer the following question.

Choose **one** headline from pair A. Using a demand and supply diagram, explain how this event would affect the market for package holidays abroad.

[illegible]

TOTAL MARK 5

Question 7

Use Fig. 6 to answer the following questions.

- (a) Below are some of the costs and benefits of tourism as stated in the case study:

Cost of flights and accommodation

Jobs created

Noise pollution

Relaxing time for the family

In the table below, put the cost or benefit in the correct box.

Private Cost	Private Benefit	External Cost	External Benefit

[4]

..... [8+2]

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Turn over

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.

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..... [3]

- (b) In July 2007, the £ was worth more than US\$2. To what extent would a strong pound affect:

- (i) UK tourists holidaying in the USA,

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..... [3]

- (ii) USA tourists holidaying in the UK.

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..... [3]

Question 9

Use Fig. 9 to answer the following questions.

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

..... [2]

- (b)** Discuss whether it is fair to holidaymakers that part of the beach at Blackpool is made private.

[6]

TOTAL MARK 8

***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 benefit the UK economy.

You might like to consider the following in your answer:

- balance of payments
- economic growth
- employment
- inflation

[illegible]

TOTAL MARK 14

If you use the following lines to complete the answer to any question, the question number **must** be clearly shown.

[illegible]

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