

GENERAL CERTIFICATE OF SECONDARY EDUCATION

ECONOMICS

Paper 4 (Higher Tier)

1985/04

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

**Tuesday 15 June 2010
Morning**

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. 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.
- 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**



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]

- (b)** Nokia reduced its prices by 10% to compete with other firms. Is cutting price the best method for firms to compete with each other? Give reasons for your answer.

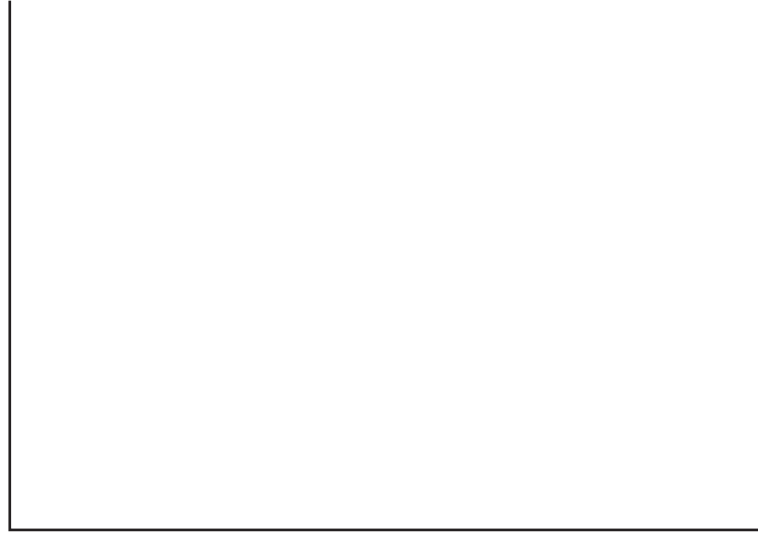
..... [6]

TOTAL MARK 8

Question 2

Use Fig. 3 to answer the following question.

- 2** Using a demand and supply diagram, 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 question.

- 3** Is the use of subsidies the best method for reducing regional problems such as high unemployment? Give reasons for your answer.

[6]

TOTAL MARK 6

Question 4

Use Fig. 5 to answer the following questions.

- 4 (a) Other than regional unemployment, state **two** types of unemployment that may occur due to the closure of the Bochum factory.

.....

.....

..... [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]

- (c)** To what extent would the closure of the Nokia factory in Bochum lead to problems for the local community? Give reasons for your answer.

[6]

TOTAL MARK 14

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]

Blank lined paper for writing.

Turn over

Question 6

Use Fig. 7 to answer the following questions.

- 6 (a)** The newspaper headlines suggest that there will be changes in UK economic indicators. Tick the correct boxes below to show the likely direction of the change in each of the indicators.

Economic indicator	Rises	Falls
Budget deficit		
Consumer spending		
Rate of economic growth		

[3]

- (b)** Is the use of interest rates the best method of stimulating the UK economy? Give reasons for your answer.

[8]

[8]

TOTAL MARK 11

Question 7

Use Fig. 8 to answer the following questions.

- 7 (a) Describe what happened to prices between August 2008 and February 2009.

.....

.....

.....

..... [2]

- (b) Is inflation always bad for an economy? Give reasons for your answer.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... [6]

TOTAL MARK 8

Question 8

- *8** Using the information from the case study and your knowledge of economics, discuss how the changes in the UK economy are likely to affect the mobile phone market. Give reasons for your answer.

[illegible]

© OCR 2010

Additional Pages

This image shows a full page of white paper with horizontal dotted lines. The lines are evenly spaced and run across the width of the page, providing a guide for handwriting or typing. There are no margins, text, or other markings on the page.

14
BLANK PAGE

PLEASE DO NOT WRITE ON THIS PAGE

15
BLANK PAGE

PLEASE DO NOT WRITE ON THIS PAGE

PLEASE DO NOT WRITE ON THIS PAGE



Copyright Information

OCR is committed to seeking permission to reproduce all third-party content that it uses in its assessment materials. OCR has attempted to identify and contact all copyright holders whose work is used in this paper. To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced in the OCR Copyright Acknowledgements Booklet. This is produced for each series of examinations, is given to all schools that receive assessment material and is freely available to download from our public website (www.ocr.org.uk) after the live examination series.

If OCR has unwittingly failed to correctly acknowledge or clear any third-party content in this assessment material, OCR will be happy to correct its mistake at the earliest possible opportunity.

For queries or further information please contact the Copyright Team, First Floor, 9 Hills Road, Cambridge CB2 1GE.

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.