

**GENERAL CERTIFICATE OF SECONDARY EDUCATION**

**ECONOMICS**

**1985/04**

Paper 4  
(Higher 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			
<b>Total</b>			

**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]

- (b)** Would the merger between My Travel and Thomas Cook be more beneficial to the merged companies or to consumers? Give reasons for your answer.

[8]

### 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.

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**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.

[illegible]

**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]

[8+2]

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### 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.

[illegible]

### 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 affect the performance of the UK economy.

[illegible]

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

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**15**  
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