

**ADVANCED GCE UNIT
ECONOMICS**

Economics of Work and Leisure
MONDAY 25 JUNE 2007

2884

Afternoon

Time: 1 hour 30 minutes

Additional materials: Answer Booklet (8 pages)



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INSTRUCTIONS TO CANDIDATES

- Write your name, Centre number and candidate number in the spaces provided on the answer booklet.
- Answer Question 1 and **one** question from Section B.
- Write all your answers on the separate answer booklet provided.
- If you need to use additional answer sheets, fasten these sheets securely to the answer booklet.

INFORMATION FOR CANDIDATES

- The number of marks is given in brackets [] at the end of each question or part question.
- The quality of your written communication will be taken into account in the marking of your answer to Section B.

This document consists of **4** printed pages.

Section A

Answer this question.

1

The market for visits to the cinema

Extract 1

Who would want to.....

An article has been removed due to third party copyright restrictions

Details:

An article from the Guardian about cinemas in the UK including a graph showing cinema visiting figures from 1954 to 2003

.....highly cash-generative industry.

Fig. 1

Source: Guardian, 25.02.04 [adapted]

Extract 2

There is a trend towards.....

An extract has been removed due to third party copyright restrictions

An extract from the Guardian about rising cinema admissions in the EU, predicted to hit 1 billion in 2007

.....the EU in 2005.

Source: Guardian, 25.08.03. [adapted]

Extract 3

Stelios Haji-loannou is.....

An extract has been removed due to third party copyright restrictions

Details:

An extract from the Guardian about Stelios starting up a new 'no frills' cinema service

.....which charge audiences more?

Source: Guardian, 15.08.03. [adapted]

- (a) With reference to Fig. 1, summarise the trends in UK cinema admissions since 1946. [2]
- (b) Explain **two** possible reasons why cinema attendances have risen in recent years and are forecast to continue to rise. [4]
- (c) (i) Explain **two** possible reasons why the cinema industry is showing strong tendencies towards increasing concentration. [4]
(ii) Comment on the possible impact on consumers of increasing concentration in the cinema industry. [4]
- (d) Discuss the possible consequences for the industry of the entry of easyCinema. [6]

Section B

Answer **one** question

- 2 (a) Explain how the extent of poverty in an advanced industrial economy such as the UK can be measured. [10]
- (b) Discuss the relative effectiveness of **two** different policies which could be used to reduce poverty in the UK. [15]
- 3 (a) Using **two** contrasting occupations of your choice, explain what is meant by the 'net advantages' of an occupation. [10]
- (b) Occupations which seem to offer many attractions sometimes pay much higher wages than others which seem less attractive. Discuss possible reasons for this. [15]
- 4 (a) Explain why both the short-run and long-run supply of labour to an occupation are likely to rise with the hourly wage rate. [10]
- (b) Discuss possible ways in which a government might attempt to increase the supply of labour to an occupation such as nursing in which there is thought to be a shortage. [15]

Copyright Acknowledgements:

Extract 1	Adapted from Nils Pratley, <i>The big bidders are coming to a screen near you</i> , The Guardian, 25 February 2004 © Guardian News & Media Ltd 2007, www.guardian.co.uk
Figure 1	Data source: Film Distributors' Association
Extract 2	Adapted from © Nigel Culkin, <i>Stelios v America, the latest big screen bout</i> , The Guardian, 25 August 2003
Extract 3	Adapted from © James Greenslade, <i>Roll up! Roll up!</i> , The Guardian, 15 August 2003

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