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**THINKING SKILLS**

Paper 2 Critical Thinking

**9694/22**

**October/November 2017**

**1 hour 45 minutes**

No Additional Materials are required.

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**READ THESE INSTRUCTIONS FIRST**

An answer booklet is provided inside this question paper. You should follow the instructions on the front cover of the answer booklet. If you need additional answer paper ask the invigilator for a continuation booklet.

Answer **all** the questions.

The number of marks is given in brackets [ ] at the end of each question.



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This document consists of **6** printed pages, **2** blank pages and **1** insert.

1 Study the evidence and answer the questions that follow.

**Source A**

**News report**

*Newton Daily Record*  
19th March 2017

The chief executive of Alpha Holdings, Tom Bland, has been accused of 'insider trading'. Insider trading is the term used to describe dealing in company shares on the basis of information that is not yet publicly known and which would affect the price of shares if it were made public. This is an unfair way to obtain financial gains and is damaging to others. It is a serious offence, usually punished with a prison sentence of up to 15 years.

In an article in the *Newton Financial Times* on 17th March 2017, Bland is accused of selling shares in Alpha Holdings the day before the collapse of a deal (12th March 2017) to merge with a rival firm, Beta Systems. Alpha Holdings shares had reached a record high in expectation of the deal going through. By selling shares the day before the collapse, Bland secured gains of \$3 000 000 which would have been lost if he had not made use of his inside knowledge and sold the shares before the general public were aware of the impending collapse of the merger.

**Source B**

**Email**

10th March 2017

Hi Jim

I hope things are OK with you. After hearing about your trip last year, I am planning a world cruise with my wife and family in the summer. I intend to be generous as I have an expectation of coming into some money soon, so it's first class cabins all round!

Regards

Tom

**Source C**

**News report**

*Newton Financial Times*  
9th March 2017

There are rumours that the deal to merge Alpha Holdings and Beta Systems has run into some late stage problems. The deal is due to be finalised on 12th March. Neither side would comment on these rumours. Shareholders in Alpha Holdings, who have already seen a sharp rise in the value of their shares, might want to consider securing this gain by selling them. Whilst many forecasters are predicting that shares in the new company will carry on rising after the deal has gone through, it may be a case of 'a bird in the hand is worth two in the bush'.

**Source D****Letter**

*from Bland's lawyer to Newton Financial Times*  
21st March 2017

My client intends to take legal action against your paper as a result of the defamatory article you published on 17th March 2017, accusing him of insider trading. An article in your own paper advising shareholders to sell shares in Alpha Holdings appeared only days before the collapse of the deal. There were a great many Alpha Holdings shares sold on the day before the collapse of the deal. Mr Bland was simply exercising his legal right to sell his shares at a price he thought was attractive.

**Source E****Extract**

*from 'Ruthless Chancer', a memoir by Tom Bland*  
Published in 2012

The business world is no place for those with a tender conscience. Your goal is to make money – the term 'ethical investment', favoured by some liberal commentators, is a contradiction. Those who reach the top of the heap will have stamped on a few heads to get there. Nor is the business world a place for worriers – if you take no risks you will make no money.

- (a) How significant is the evidence in Source B as regards the allegations of insider trading by Bland? [3]
- (b) How useful is the evidence in Source D that many shares were sold on the day before the collapse of the deal in supporting Bland's defence? [3]
- (c) How relevant is the evidence in Source E? [3]
- (d) How likely is it that Tom Bland is guilty of insider trading?  
Write a short, reasoned argument to support your conclusion, with critical reference to the evidence provided and considering a plausible alternative conclusion. [6]

2 Study the evidence and answer the questions that follow.

**Source A**

**Promotional literature**

*from eye clinic*

Laser eye surgery is the most commonly performed surgical procedure in the world. Over 24 million people have benefited from laser eye treatment. A laser eye operation is like any other medical procedure with respect to the fact that there are some risks involved. However, the risks are minimal, especially in comparison to other commonly performed medical procedures, such as those carried out by dentists. We use the most advanced technology in all of our clinics and our eye surgeons are amongst the most experienced, so there is nothing to worry about if you choose to have laser eye surgery. What you will be able to do is say goodbye to glasses and hello to contact sports such as football.

**Source B**

**Press release**

*by campaign group against laser eye treatment*

Clever marketing techniques have been used by big business in order to promote laser eye surgery as a way of getting rid of the need to wear glasses. However, this technique only deals with short sight, i.e. problems with mid- to long-distance vision. Most people need to wear reading glasses, typically after the age of 45, to correct long sight, i.e. difficulty in reading books, magazines etc. Whilst it is suggested that laser eye surgery allows people to play contact sports, some medical experts advise that individuals who play contact sports are not good candidates for it. This is because the surgery involves cutting the cornea and as a result of this it never goes back to its original strength. The danger of re-opening the incision due to a blow on the head is then greatly increased if there is participation in contact sports.

**Source C**

**Survey on after-effects of laser eye surgery**

30% of those who responded to the survey reported having dry eyes after laser eye surgery. 45% suffered some problems with night vision, including a halo effect around headlights when driving at night. 20% of subjects found they became sensitive to light and had to wear dark glasses in sunlight. Laser eye surgery is irreversible and unnecessary; there are other well-tried and tested ways of correcting sight problems, such as wearing glasses or contact lenses, so people might want to consider carefully before opting for this treatment.

## Source D

**A reply to critics of laser eye surgery***by leading provider*

As with all medical procedures, there are a minority of cases where patients experience complications. Laser eye surgery is no different in this respect. Our critics tend to highlight this minority of cases. 99% of our patients report that they can see perfectly well without glasses after having had the surgery. However, there is a need for more regulation in the industry: there is some evidence that procedures are carried out incompetently by inexperienced staff in unscrupulous firms offering laser eye surgery at an unrealistically low price. It should also be noted that laser eye surgery is not appropriate for those with certain eye problems. We would not recommend it for people with extremely short sight or people with diabetes.

- (a) Suggest **three** reasons why the comparison in Source A of the risks involved in laser eye surgery with those in dentistry may not be valid. [3]
- (b) “99% of our patients report that they can see perfectly well without glasses after having had the surgery” (Source D).  
How good a response would this be to the points being made in Source B? [3]
- (c) Suggest **two** explanations that might be used by the laser eye surgery provider in Source D to explain the statistics in Source C. You should outline why these explanations might be used. [3]
- (d) ‘Laser eye surgery is a risky procedure which should be avoided.’

To what extent do you agree with this claim? Write a short, reasoned argument to support your conclusion, using and evaluating the information provided in Sources A–D. [6]

3 *Read the passage and answer the questions below.*

- 1 There is a widespread problem of obesity in the developed countries of the world due to over-eating and physical inactivity. Participation in sports would help people to lose weight. Health systems are spending a disproportionate amount of their budgets in combating the problems associated with obesity, such as heart disease and diabetes. We should encourage people to participate in sports in order to improve their health.
- 2 A society in which the vast majority of people participated in sport would put less strain on hospital accident and emergency units. This is because the population would be healthier. Spending on health would be kept under control. Uncontrolled and increasing health spending is a major threat to the finances of developed countries.
- 3 Sport encourages a competitive and achievement-orientated mindset. This is functional in a global economic system where trade is international. A society where participation in sport is central will be well-placed to compete in the modern world. So sport brings economic benefits.
- 4 The physical strain put on the body by many sports can lead to muscle and joint problems. A growing branch of the medical profession is concerned with treating sports-related injuries and the keen sportsman will probably have to consult these people on a regular basis. However, this does not undermine the psychological and physical benefits of participation in sport. Sports injuries are a price worth paying.
- 5 Whilst there are other ways of being physically active, such as walking, they do not have the psychological advantages of sport as regards fostering team spirit and competition. Lacking these psychological advantages means they lack the character-building dimension that sport provides. Many people who regularly play sports go on to have very successful careers. This shows that participating in sport has been a key ingredient in their success. We must conclude that there is no substitute for sport as a means of keeping fit.

- (a) Using the exact words from the passage as far as possible, identify the main conclusion. [2]
- (b) Using the exact words from the passage as far as possible, identify **three** intermediate conclusions. [3]
- (c) Evaluate the strength of the reasoning in the argument. In your answer you should consider any flaws, unstated assumptions and other weaknesses. [5]
- (d) 'Television has had a negative impact on sport.'

Write your own short argument to support or challenge this claim. The conclusion of your argument must be stated. Credit will not be given for repeating ideas from the passage. [5]



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