

Centre Number						Candidate Number				
Surname										
Other Names										
Candidate Signature										

For Examiner's Use	
Examiner's Initials	
Question	Mark
1	
2	
3	
TOTAL	



General Certificate of Secondary Education  
January 2013

# Economics

# 413011

## Unit 11 Personal Economics

Tuesday 29 January 2013 9.00 am to 10.15 am

**You will need no other materials.**  
You may use a calculator.

### Time allowed

- 1 hour 15 minutes

### Instructions

- Use black ink or black ball-point pen.
- Fill in the boxes at the top of this page.
- Answer **all** questions.
- You must answer the questions in the spaces provided. Do not write outside the box around each page or on blank pages.
- Do all rough work in this book. Cross through any work you do not want to be marked.

### Information

- The marks for questions are shown in brackets.
- The maximum mark for this paper is 70.
- You are reminded of the need for good English and clear presentation in your answers. Quality of Written Communication will be assessed in questions 1(e), 2(c) and 3(c).



J A N 1 3 4 1 3 0 1 1 0 1

Answer **all** questions in the spaces provided.

**Total for this question: 28 marks**

**1** Read **Item A** and then answer the questions that follow.

**Item A**

18-year-old Jayne is in her final year at school. She enjoys playing computer console games with her friends. She does not own her own console, but she is thinking of buying one with the £200 savings she has. There is a games shop in Jayne’s local high street where she can try out computer consoles and get advice from staff. Jayne has researched the prices of computer consoles and has discovered that they are cheaper if you buy on-line rather than in high street shops.

Computer console	On-line price	High street price
Nintendo Wii	£115	£130
Sony PlayStation 3	£165	£199
Microsoft Xbox 360	£200	£249

Jayne has also noticed that the prices of computer consoles have been falling. A Sony PlayStation 3 was over £300 a year ago. Jayne has been told that new versions of the consoles are brought out regularly.

Jayne’s mother, Tasha, works in a shop in the high street which sells computer games as well as DVDs and CDs. The shop owner has warned Tasha that the shop may have to close because sales are falling. More and more people are downloading films and music from the internet, sometimes illegally, so they do not use their local shops.

**1 (a)** State **two** factors that may influence which computer console a consumer chooses to buy.

- 1 .....
- 2 ..... (2 marks)

**1 (b)** Explain **two** reasons why the prices of computer consoles might have gone down.

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- .....
- .....
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2 .....

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(4 marks)

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**1 (c)** Jayne is wondering whether she should use her credit card to buy the computer console instead of her savings. Explain **one advantage** and **one disadvantage** for Jayne if she uses her credit card. (4 marks)

Advantage .....

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Disadvantage .....

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**1 (d)** Jayne does not want to spend any more than £200 on a computer console.

Using **Item A**, explain **two** reasons why she might choose to buy a computer console from the internet rather than from a shop in the high street. **(6 marks)**

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**Total for this question: 20 marks**

**2** Read **Item B** and then answer the questions that follow.

**Item B**

Jayne will be leaving school in six months' time. She has been offered a job as a sales assistant in a games shop. Jayne knows that she could earn much more if she trained to become a computer games developer.

Average weekly wage	
Computer games developer	£720
Sales assistant	£240

Jayne has read that the computer games industry in the UK is growing at a fast rate but it is difficult to find staff with the right skills. The number of young people studying computing at school has fallen, and universities are finding it difficult to fill their courses. People with the right skills often go to Canada or the USA where computer games businesses offer much higher wages than in the UK. Computer games businesses in Canada receive money from their government. This means that they can afford to pay higher wages to attract new staff from all over the world.

Jayne has been told that if she obtained a degree in computer science, it would make it much easier for her to become a games developer. Jayne knows that university fees are expensive and that students often leave university with debts as large as £40 000. The thought of being this much in debt worries her.

**2 (a)** State **two** reasons why people want to work.

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*(2 marks)*





**2 (b)** If Jayne were employed as a computer games developer, she would be paid three times the wage of a sales assistant.

Explain **two** reasons why there is such a big difference in wages between the two types of job. (6 marks)

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**Total for this question: 22 marks**

**3** Read **Item C** and then answer the questions that follow.

**Item C**

Jayne has heard that the UK computer games industry has a worldwide reputation for producing high quality games. The games are exported all over the world. In 2010, exports of UK computer games were worth £1.4 billion. On average, 62% of UK computer games sales came from exports. Selling games abroad is becoming increasingly important for UK computer games businesses. However, the export of computer games is influenced by the value of the pound, which often changes.

Jayne has also been told that the computer games industry has become increasingly globalised. This means that companies are able to locate in almost any part of the world where costs and taxes are lowest. Globalisation has also resulted in skilled workers moving to different parts of the world where their skills are needed and where salaries are high.

Recently, an American-owned company which produces computer games decided to close down one of its offices in England and move the work to its office in Canada, where business taxes are lower. This means that 50 staff will lose their jobs in England. Such office closures are encouraging skilled staff to leave the UK to find work abroad.

**3 (a)** Explain **two** reasons why exports from the UK might increase. *(4 marks)*

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**3 (b)** Explain **two** effects on the UK computer games industry if the value of the pound increases. **(6 marks)**

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<b>22</b>

**END OF QUESTIONS**



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