

Surname		Other Names	
Centre Number		Candidate Number	
Candidate Signature			

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General Certificate of Secondary Education  
June 2006

**ECONOMICS**  
**Higher Tier**  
**Paper 2**

**3144/2H**  
**H**



Tuesday 27 June 2006 1.30 pm to 2.30 pm

<p><b>For this paper you must have:</b></p> <ul style="list-style-type: none"> <li>the information leaflet (enclosed)</li> </ul> <p>You may use a calculator.</p>
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Time allowed: 1 hour

**Instructions**

- Use blue or black ink or ball-point pen.
- Fill in the boxes at the top of this page.
- Write your report in this booklet, starting on page 3.
- Do all rough work in this book. Cross through any work you do not want marked.

**Information**

- The maximum mark for this paper is 84.  
4 of these marks are for the Quality of Written Communication.
- The marking criteria and the allocation of marks are given on page 2.
- You are reminded of the need for good English and clear presentation in your answers. All questions should be answered in continuous prose. Quality of Written Communication will be assessed in all answers.

**Advice**

- You are advised to spend 15 minutes:
  - reading the questions;
  - reading through all the information in the Information Leaflet;
  - identifying parts of the information that you might use in answering the questions.
- Writing your answers should take up to 45 minutes.

For Examiner's Use			
Number	Mark	Number	Mark
1			
Total (Column 1)		→	
Total (Column 2)		→	
Quality of Written Communication			
TOTAL			
Examiner's Initials			

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Westport is a large, successful seaside resort located in the north-west of England. Recently, Go North Trains announced the proposed closure of the railway line from South Chester to Westport.

**Your task**

As an economist working for Westport Council, you have collected the information given to you in the Information Leaflet.

Using the Information Leaflet, together with your own knowledge and understanding of economics, write a report for Westport Council which clearly explains the problems facing Westport, and suggest the best way for Westport to remain successful in the future.

In your report, you should:

1. describe the possible reasons for the proposed closure of the railway line from South Chester to Westport;
2. identify and explain the possible effects of the proposed railway line closure on the people and businesses in the Westport area;
3. explain what Go North Trains could do to increase the demand for their train services on the South Chester to Westport line;
4. identify some reasons for the success of Westport as a seaside resort;
5. discuss whether you think that Westport's success as a seaside resort will continue in the future;
6. explain and discuss the possible options open to Westport Council to keep the town successful, and recommend the most appropriate strategy.

**Your report will be assessed on your ability to:**

use economic knowledge, show understanding and use information; *(20 marks)*

apply economic concepts and theories and use appropriate economic terminology and methods; *(20 marks)*

select, organise and interpret information; *(20 marks)*

evaluate evidence, make a reasoned judgement and draw appropriate conclusions; *(20 marks)*

present information in a clear, legible and logical way; spell, punctuate and use the rules of grammar accurately; and enable the meaning of the text to be understood. *(4 marks)*

**(Total: 84 marks)**



A large rectangular area containing horizontal dotted lines, intended for writing or drawing.











Study **all** the information before you begin your task.

**Item A**

**RAILWAY LINE THREATENED WITH CLOSURE**



The Managing Director of Go North Trains gave these reasons for the threatened closure of the line from South Chester to Westport.

1. It is not profitable any more.
2. It would cost £30 million to modernise our trains, which we cannot afford.
3. Passenger numbers are falling.
4. We have been hit by a lower government subsidy.

**Item B****LETTER TO LOCAL NEWSPAPER****Hotel owner speaks out on proposed railway line closure****THE SWAN HOTEL**

I am not sure what effects the proposed closure of the railway line will have on the hotel business.

My hotel is one of the most successful in the area and should not be affected too much. We may lose a few of our one night customers but this would not affect our income much. The number of customers who stay for longer periods of time is greater than those who stay for a shorter time period.

We have many loyal customers who do not come to Westport by train. There are many different forms of transport that our customers can use. Many drive or come by bus.

The Manager  
The Swan Hotel

**Item C****SURVEY FINDINGS**

These are the results of a local survey taken in Westport in August 2004. The people interviewed were train users aged between 15 and 50.

## 1. Why do you use the train?

(a) To go to work	5
(b) To go shopping	5
(c) To go to school	3
(d) To arrive at Westport on holiday	7

## 2. How often do you use the train?

(a) Daily	5
(b) Weekly	2
(c) Monthly	3
(d) Yearly	10

## 3. If the railway closed down, which alternative method of transport would you use?

(a) Car	10
(b) Bus	5
(c) Taxi	5

## 4. Do you use the train for long distance or short?

(a) Long	12
(b) Short	8

## 5. How would the closure affect the local economy?

(a) Fewer tourists	12
(b) Fewer customers at the local street market	3
(c) Shops would lose sales	5

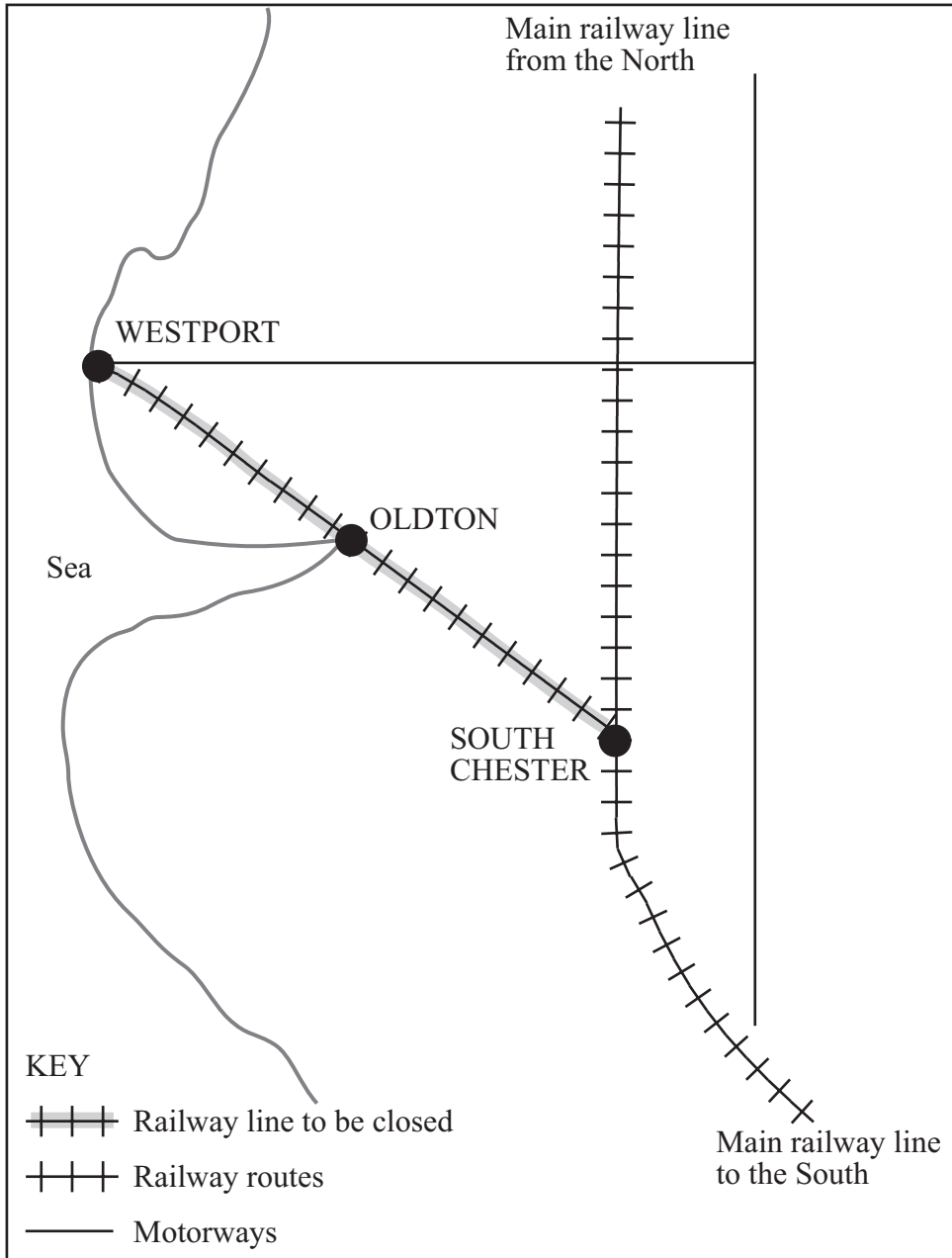
## 6. How would the closure affect the environment?

(a) More pollution	10
(b) Less pollution	0
(c) Don't know	10

**Turn over ►**

**Item D**

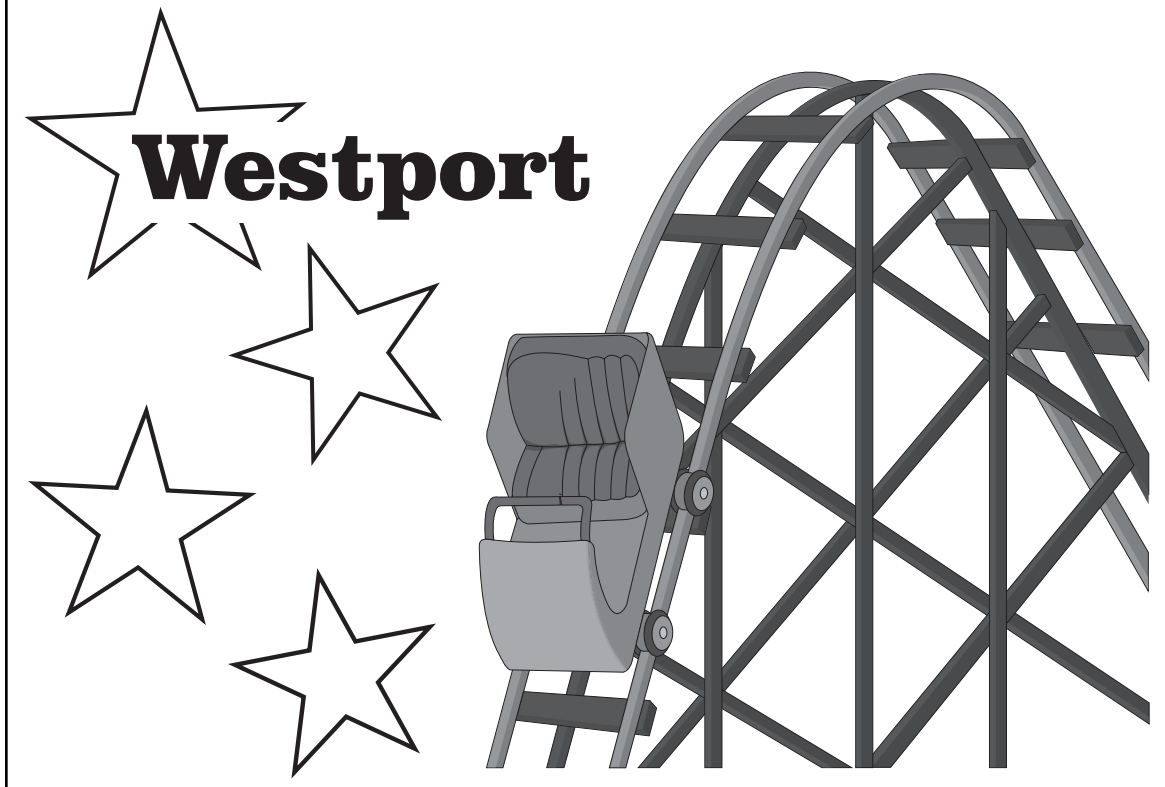
**MAP SHOWING ROAD AND RAIL ROUTES IN THE WESTPORT AREA**



**Item E****WESTPORT IS A SUCCESSFUL SEASIDE RESORT**

# White Knuckle Thrills

Westport has one of the UK's biggest and best theme parks

**Westport's other attractions include:**

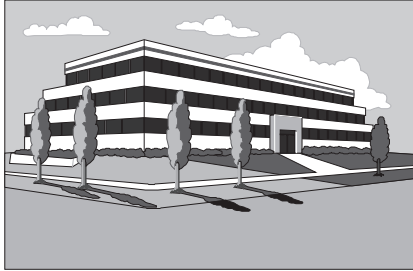
- miles of golden sand
- the longest pier in the UK
- an exclusive shopping area
- a great range of bars and clubs – people travel from miles around for the party atmosphere.

**Turn over ►**

**Item F**

**WESTPORT COUNCIL'S PLANS TO SAVE SEASIDE TOWN**

\* Improve conference facilities

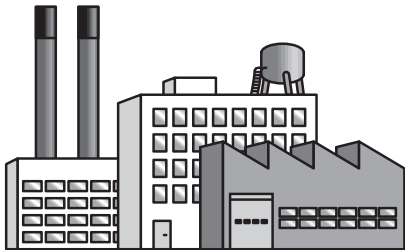


\* Extend the holiday season by introducing a carnival fortnight

\* Allow more caravan parks and new leisure facilities



Offer grants to attract new manufacturing industry



\* Develop as a gambling casino-style resort

\* **service industry**

**Item G****WESTPORT FACING COMPETITION**

There are many alternative holidays in **Britain**.

- Places to visit for music and culture
- Youth hostelling
- Camping
- Coach tours

In addition there are many holidays **abroad**.

<b>Year</b>	<b>People taking holidays abroad (million)</b>
1985	1
1995	5
2005	15

**Holidays in Turkey**

£157.00 per person  
Self Catering  
Based on 4 sharing

**Flight to Ibiza**

£85.00 return  
from  
Manchester Airport

**Discover Germany**

Fly direct to  
Cologne or Berlin  
from £17.99

**Holidays in Majorca**

3 Star Hotel \*\*\*  
from £300 per person

Turn over ►

**Item H****TICKET PRICES**

The following information has been supplied by Go North Trains.

1.

<b>Year</b>	<b>Ticket price from South Chester to Westport</b>	<b>Number of passengers/year Thousands</b>
1985	£5	1 000
1995	£10	400
2005	£20	100

2. There are 4 trains a day from South Chester to Westport, Monday to Saturday, with no trains running on Sunday.

The last train to Westport leaves South Chester at 19.00.

The last train to South Chester leaves Westport at 20.30.