

Answer ALL questions

1. The following table shows the number of people employed in Zarabia.

Zarabian Employment

Employment Categories	Number
Manufacturing	500 000
Chemicals	700 000
Farming	800 000
Direct Services	400 000
Mining	300 000
House Building	750 000
Commercial Activities	1 800 000
Forestry	750 000
Total Employment	6 000 000

Using the table, answer the following questions.

(a) (i) Identify **one** example of a primary industry.

..... (1)

(ii) Identify **one** example of a secondary industry.

..... (1)

(iii) Calculate how many people are employed in tertiary activities.

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 (2)

(iv) Calculate the percentage of the total workforce employed in commercial activities.

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 (2)



Specialisation takes place in the manufacture of cars.

(b) (i) Name **three** factors of production used in the manufacture of cars.

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(3)

(ii) Explain **two** advantages of specialisation for a car manufacturer.

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(6)



(iii) Discuss disadvantages to employees that may result from specialisation on a car assembly production line.

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(6)

(c) What difficulties would there be for manufacturers if banking services did not exist?

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(4)

(Total 25 marks)

Q1

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2. Petra owns a village grocery store. She obtains her goods from a cash-and-carry wholesaler. Her business is so popular that she is thinking of leasing or buying a van. This will be used as a mobile shop to sell goods in nearby villages.

(a) (i) Describe how cash-and-carry operates.

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(3)

(ii) Discuss why small retailers find it better to trade with a cash-and-carry wholesaler rather than with a traditional wholesaler.

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(b) Analyse the advantages of buying your own van to use as a mobile shop.

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(6)

(c) (i) Define the term 'leasing'.

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(ii) Analyse the advantages of leasing a van to use as a mobile shop.

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(6)



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Petra is thinking of taking on a partner. She could draw up a Deed of Partnership.

(d) What would be the importance of a Deed of Partnership for Petra?

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(4)

Q2

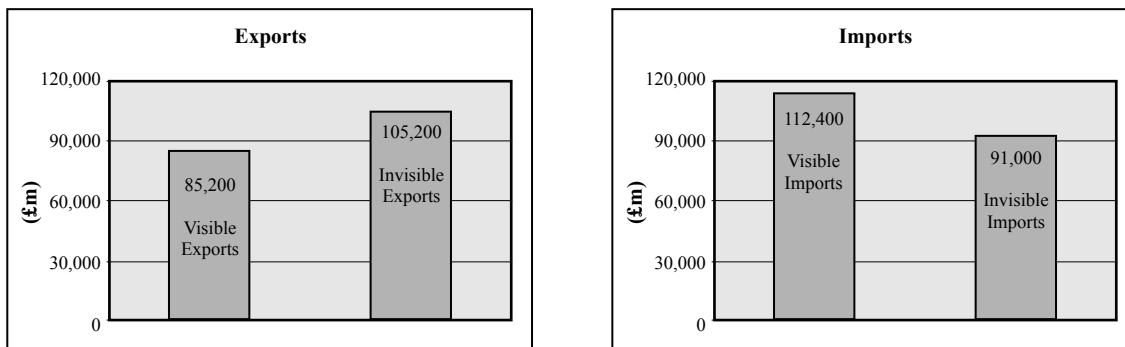
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3. The following diagram shows the trading figures for a country.

Trading Figures



Using these trading figures, answer the questions that follow.

(a) (i) Calculate the balance of trade for visible items.

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(1)

(ii) Calculate the balance of payments.

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(1)

A country often has a deficit on the balance of trade but a surplus on the balance of payments.

(b) Describe **one** possible reason for this.

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(2)



(c) What would be the effect on imported goods of using:

(i) tariffs

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(2)

(ii) quotas

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(2)

(d) State whether the following are visible or invisible imports or exports on the UK balance of payments.

(i) A UK tourist holidaying in Dubai.

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(2)

(ii) A UK car sold to an Australian company.

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(2)



Assume that on 1 January 2008 £1 was worth \$2 and in October 2008 £1 was worth \$1.75.

(e) Analyse the effects that this change will have on a UK exporter to the USA.

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(3)

A small company, with no export department, requires special help to obtain export sales.

(f) Outline **two** ways of obtaining orders for exports.

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(g) Consider the part played by banks when Bills of Exchange are used.

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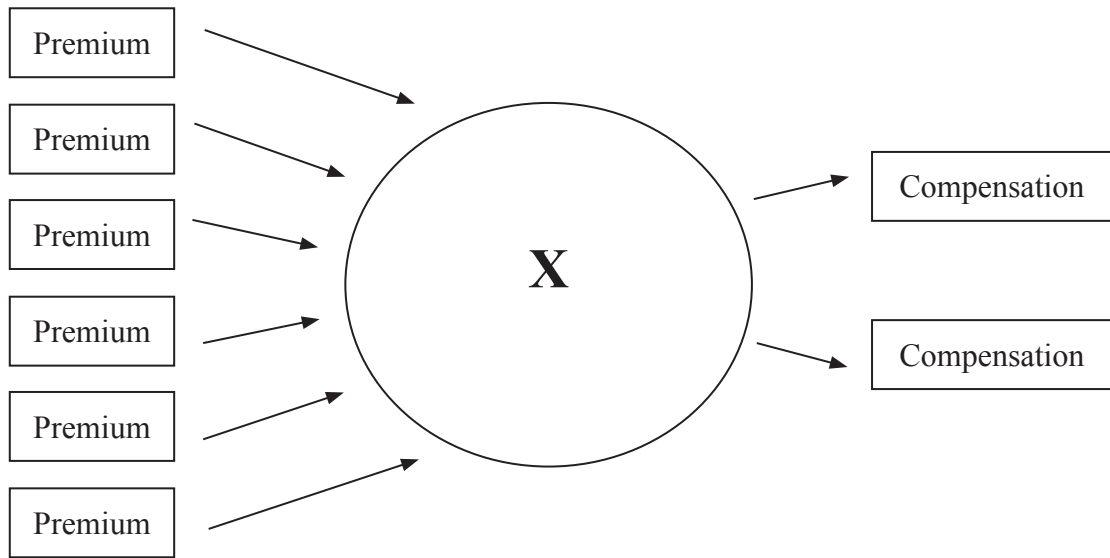
Q3

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4. The following diagram shows the main purpose of insurance. Study the diagram and answer the questions which follow.



(a) (i) Identify X in the above diagram.

..... (1)

(ii) Define the term 'compensation'.

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..... (2)

(iii) What is a premium?

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..... (2)



(b) (i) How does the insurance company fix the premium that a business has to pay?

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(4)

(ii) Explain why some risks are non-insurable.

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(4)



The three principles of insurance are:

- utmost good faith
- indemnity
- insurable interest.

(c) Analyse the implications of each principle when an insurance claim is made.

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Q4

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(Total 25 marks)

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