

Wednesday 22 May 2013 – Afternoon

GCSE ECONOMICS

A592/01 How the Economy Works

Candidates answer on the Question Paper.

OCR supplied materials:

None

Other materials required:

- Calculators may be used

Duration: 1 hour



Candidate forename		Candidate surname	
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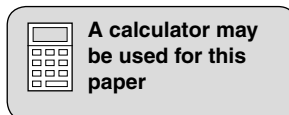
Centre number						Candidate number				
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INSTRUCTIONS TO CANDIDATES

- Write your name, centre number and candidate number in the boxes above. Please write clearly and in capital letters.
- Use black ink. HB pencil may be used for graphs and diagrams only.
- Answer **all** the questions.
- Read each question carefully. Make sure you know what you have to do before starting your answer.
- Write your answer to each question in the space provided. If additional space is required, you should use the lined pages at the end of this booklet. The question number(s) must be clearly shown.
- Do **not** write in the bar codes.

INFORMATION FOR CANDIDATES

- The number of marks is given in brackets [] at the end of each question or part question.
- The total number of marks for this paper is **60**.
- The quality of your written communication will be taken into account in marking your answers to the questions marked with an asterisk (*).
- This document consists of **16** pages. Any blank pages are indicated.



Answer **all** questions.

1 Fig. 1 shows some information about recent tax changes in the United Kingdom.

In the UK, VAT is imposed on a wide range of products which includes tobacco and alcoholic drinks. In January 2011, the rate of VAT rose from 17.5% to 20%.

In March 2011, the excise duty on tobacco and alcoholic drinks was increased by 2% above the rate of inflation.

Fig. 1

(a) (i) What is the full name of VAT?

V A T [1]

(ii) Both VAT and excise duties are examples of which type of tax? Circle **one** phrase which best describes these taxes.

Direct taxes Indirect taxes Stealth taxes [1]

(b) (i) Explain what is meant by the rate of inflation.

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..... [2]

(ii) Explain how the rate of inflation is measured.

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..... [2]

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2 Fig. 2 shows economic growth rates in the UK between 2006 and 2011.

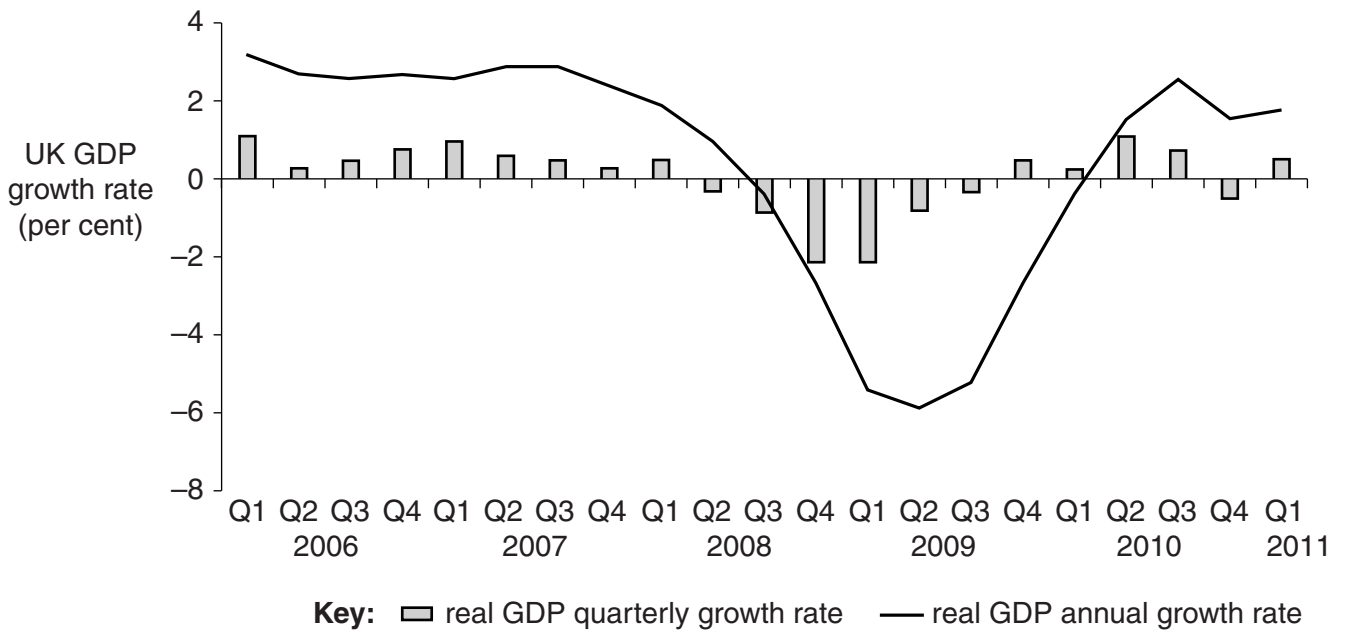


Fig. 2 – United Kingdom GDP growth rates, 2006–11

(a) A recession is a period of negative economic growth.

With reference to Fig. 2:

- circle the year in which the UK economy **entered** recession

2007

2008

2009

- circle the length of the recession.

4 quarters

6 quarters

8 quarters

[2]

3 Fig. 3 shows regional unemployment rates in Great Britain in 2011.

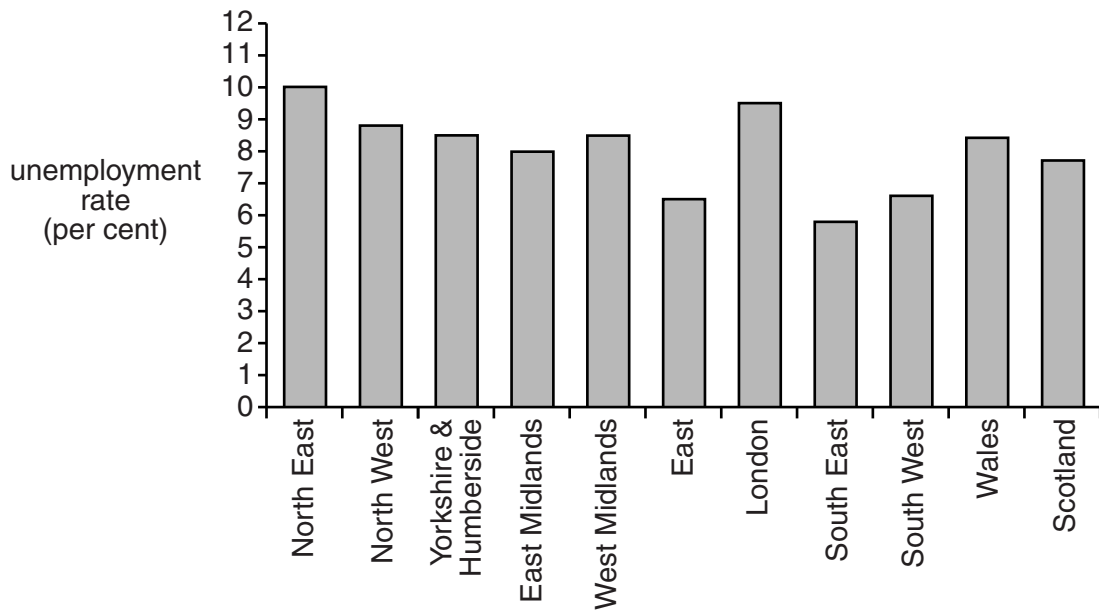


Fig. 3 – Regional unemployment rates in Great Britain, 2011

(a) (i) Using Fig. 3, identify the region which has:

- the highest regional unemployment rate

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- the lowest regional unemployment rate.

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[2]

(ii) Using Fig. 3, compare the regional unemployment rate of the East with that of London.

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..... [2]

(b) In the table below, place a tick (✓) against the **two** correct measures of unemployment in the UK.

Measure	Tick (✓)
Census of population	
Claimant count	
Labour force survey	
Trade union membership	

[2]

(c) Explain the cause of each of the following types of unemployment:

- cyclical unemployment

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- voluntary unemployment.

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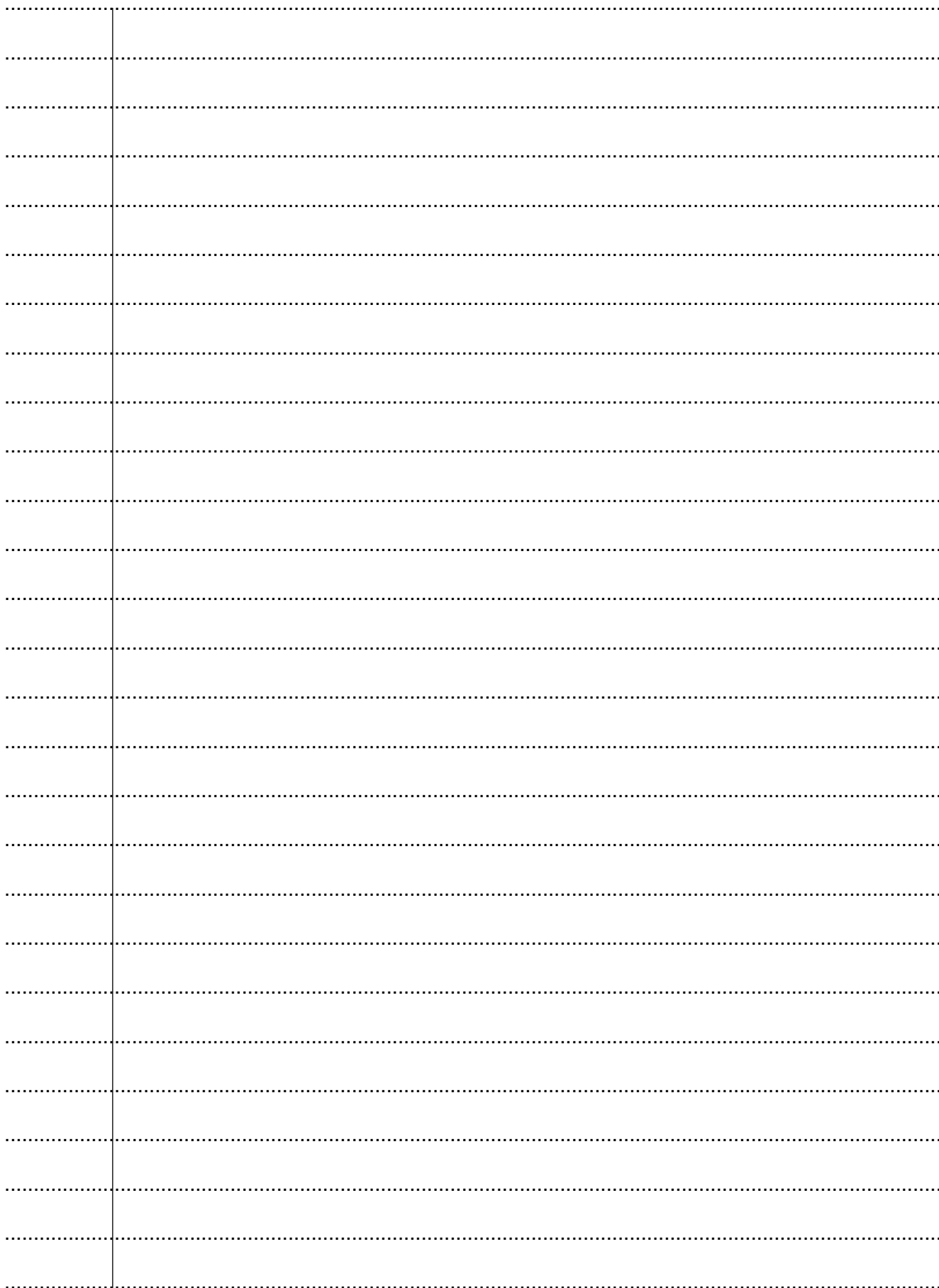
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ADDITIONAL ANSWER SPACE

If additional answer space is required, you should use the following lined page(s). The question number(s) must be clearly shown in the margins.

A large rectangular area for writing answers. It features a solid vertical line on the left side and horizontal dotted lines extending across the page, creating a series of rows for text entry.



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