



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

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**(4)**

**Q1**

**(Total 25 marks)**

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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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(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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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

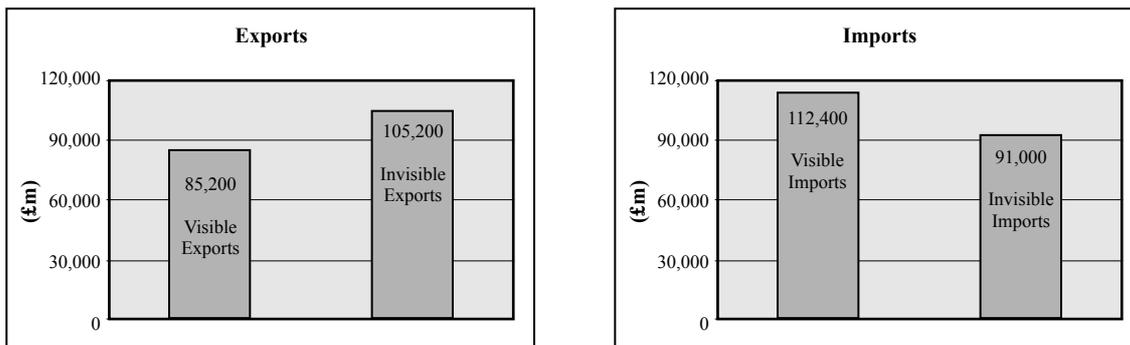
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3. The following diagram shows the trading figures for a country.

### 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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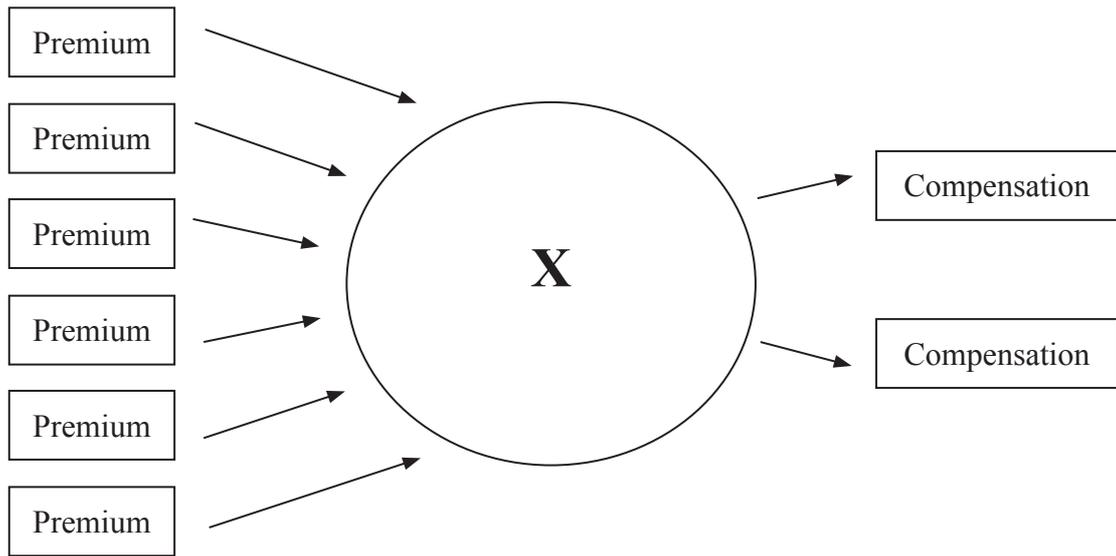
Q3

(Total 25 marks)

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

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**(4)**





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