



General Certificate of Secondary Education
2023

Centre Number

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Candidate Number

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Economics

Paper 2



G9282

[G9282]
FRIDAY 26 MAY, MORNING

TIME

1 hour 15 minutes.

INSTRUCTIONS TO CANDIDATES

Write your Centre Number and Candidate Number in the spaces provided at the top of this page.
You should answer **both** questions in the spaces provided. **If you do not have enough space to complete your answer, extra lined pages are provided at the back of the booklet.**

INFORMATION FOR CANDIDATES

The total mark for this paper is 60.
Any working should be clearly shown since marks may be awarded for partially correct solutions.
Your quality of written communication will be taken into account in assessing your answers to **1(b)**, **1(f)**, **2(e)** and **2(f)**.

ADVICE FOR CANDIDATES

You should take into account the maximum marks available when deciding how much time to spend on each question or part question.

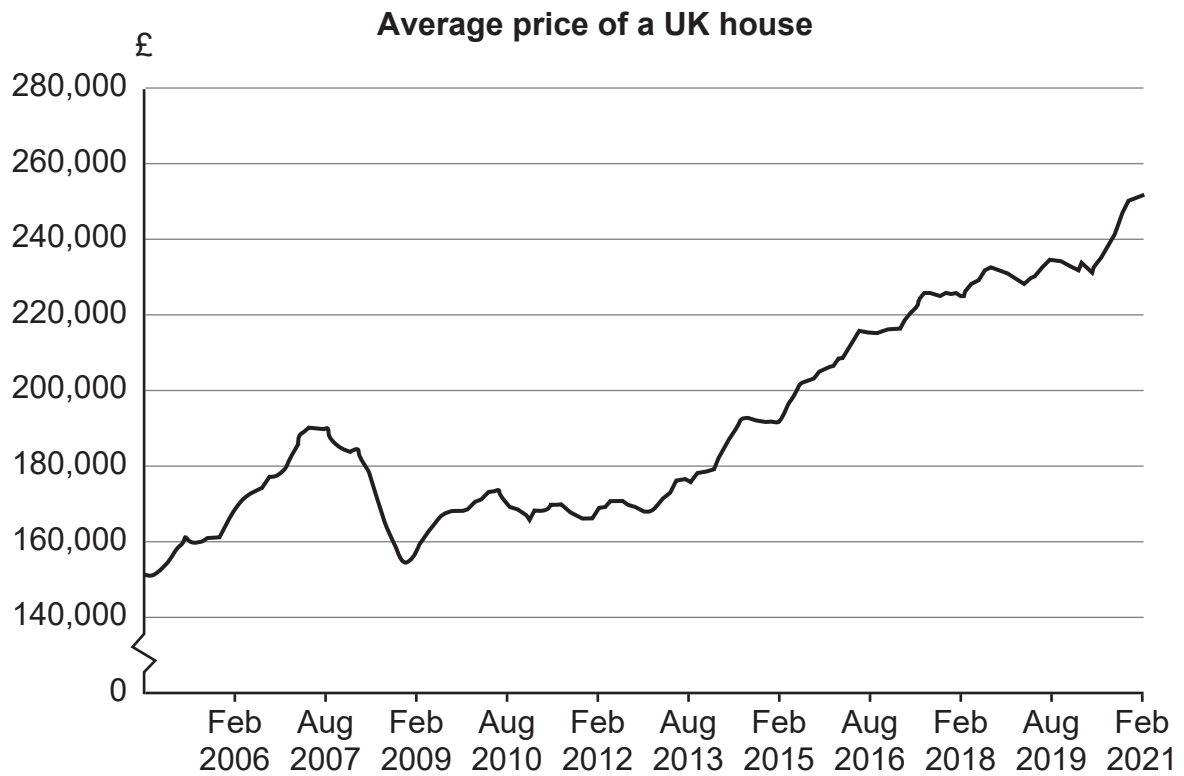
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Question Number	Marks
1	
2	
Total Marks	

Answer **both** questions

1 Study the information below and answer the questions that follow.

The UK housing market

House prices are rising at a fast pace. The price of the average UK home was £250,000 in February 2021, this is £20,000 higher than in February 2020. Some homeowners will be pleased with their homes rising in value as it will increase their real wealth. Nevertheless, increasing house prices makes it harder for first-time buyers to purchase a property.



Source: HM Land Registry, Registers of Scotland, Land and Property

Fig. 1

There is increased demand for properties due to a growing number of one-person households and various government initiatives such as the “Help to Buy” scheme for first-time buyers. However, there are several other factors which can influence the market price of UK houses, these include the cost of building materials, the cost of land, consumers’ income and interest rates.

(c) The cost of the average price of a house in Northern Ireland was £100,000 in 2020. This increased to £110,000 in 2021. The response by housing developers is summarised below:

Year	Price of house (£)	Quantity supplied
2020	100,000	3000
2021	110,000	3030

Use the formula provided to calculate the price elasticity of supply (PES) for housing in Northern Ireland. Show your calculations.

$$\text{Formula: PES} = \frac{\% \text{ change in quantity supplied}}{\% \text{ change in price}}$$

Calculations

% change in quantity supplied =

% change in price =

PES =

[3]

(d) Explain the importance of PES for producers.

[3]

Examiner Only

Marks Remark

2 Study the information below and answer the questions that follow.

Examiner Only

Marks Remark

Festival coming to Northern Ireland

A seven-day festival will come to Newcastle, County Down, to celebrate the Global Golf Tournament. The festival will commence the week before the prestigious golf tournament takes place and it will feature big bands and craft stalls.

Maureen Begley is organising the festival on behalf of her employer, The Golf Company NI. She calculates that they will have to pay £100,000 in fixed costs to get the event up and running. These costs include the hire of a venue and facilities such as a stage and mobile toilets, paying performers, advertising and insurance. Maureen also estimates that there will be additional costs of £20 per person. The venues Maureen has selected have a capacity of 12 000 people. Maureen intends to charge £40 per person and estimates that a profit will be made at that price.

(a) Complete the information in the table below to show total costs (TC) and total revenue (TR) when:

- (i) no one attends the festival; and
- (ii) 12 000 people attend.

Number who attend the festival	Fixed costs (£)	Variable costs (£20 per person)	Total costs (£)	Total revenue (£)
0	100,000	0		
12 000	100,000	240,000		

[4]

Global Golf Tournament will generate £100 million for Northern Ireland

The Global Golf Tournament set to be held in Newcastle, County Down, will generate more than £100 million of economic benefit for Northern Ireland, according to a study commissioned by the organisers.

Around 250 000 tourists are expected to flock to the seaside resort for the event with more than half coming from countries in the EU. Many of the tourists will be hoping to take advantage of the recent depreciation of the pound against the euro. This will make Newcastle even more attractive as a tourist destination, thereby boosting demand. In addition, an increasing number of NI residents may take a domestic holiday to Newcastle for the event, due to the weaker pound.

There is no doubt the 250 000 expected tourists will bring social benefits to the region and this will be a most welcome economic boost for the NI travel and hospitality industry. However, a local group of residents have strongly objected against the Global Golf Tournament taking place due to potential social costs. Many residents are concerned about the potential environmental damage to the local beach, the large forest park and to the general surrounding area. This includes the picturesque Mourne Mountains, which are only a short stroll away from the seaside resort.

Source: Adapted from The Belfast Telegraph, December 2019

(c) What is meant by an exchange rate?

[2]

(d) What is meant by a depreciation of the pound?

[2]

Examiner Only	
Marks	Remark

Sources

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Q2b.....Adapted from © 'Open at Royal Portrush generated £100 million for Northern Ireland – study', Belfast Telegraph 10.12.19

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