

# The City School

Unified Mid-Year Examinations  
2016 - 2017  
CLASS 9



CANDIDATE NAME

INDEX NUMBER

--	--	--	--	--

DATE: \_\_\_\_\_

**ECONOMICS**

**2281/22**

**Paper 2: Structured Questions**

**2 hours 15 minutes**

**Additional Materials: Answer Booklet/Paper**

## READ THESE INSTRUCTIONS FIRST

Write your name, index number and date on all the work you hand in.  
Write in dark blue or black pen on both sides of the paper.  
Do not use staples, paper clips, highlighters, and glue or correction fluid.

### Section A

Answer question number 1

### Section B

Answer any three questions.

At the end of the examination, fasten all your work securely together.  
The number of marks is given in brackets [ ] at the end of each question or part question.

This document consists of **04** printed pages.

## SECTION A

Answer this question.

Q1.

Dave Cash and Kojima were two friends who met at Oxford university. Dave was English and Kojima was Japanese. After obtaining business graduation degree they went back to their hometown and started their business.

Dave Cash runs a successful coach business located in Newry. Customers include private commuters, tour groups and business clients who wish to travel for various reasons. Dave's business operates as a sole trader; however, he is considering running the business as either a partnership or a private limited company. Dave feels that if the business was run as a private limited company, it would enable him to expand services to such an extent, that he can compete effectively with both public limited companies (located in UK, but who provide transport services throughout Northern Ireland) and the public sector transport provider in Northern Ireland. The government has recently granted licences to some private coach operators, enabling them to provide limited bus services, along some urban routes.

Kojima's grocery store, near Tokyo's fish market, has been in business since his grandfather started it almost 100 years ago. His store is part of a group of co-operatives, called Zen Nippon Shokuhin, which has nearly 2000 small stores. The co-operatives plan to introduce a loyalty card which rewards customers who use the stores regularly. They do this by giving special offers only to loyalty card holders. These stores have enjoyed a great deal of success in recent years. Sales have increased by 20%. Customers like the personal service they receive from a local store.

1. Describe two features of a co-operative. [4]
2. Apart from a loyalty card, explain other ways in which small stores, such as those in Japan, can attract customers. [6]
3. Describe two differences between a partnership and a private limited company. [4]
4. Explain features of a sole proprietor. [4]
5. Describe the disadvantages of a sole proprietor business. [4]
6. Distinguish between the private sector and the public sector of an economy. [2]
7. Discuss the disadvantages of allocating resources through the public sector. [6]

## SECTION B

Answer any three questions.

**Q2.** People often have an account with a commercial bank in which they deposit some of their money and from which they can pay their bills.

- (a) What is Barter? Explain [2]
- (b) Explain how commercial banks may encourage saving. [4]
- (c) Identify and explain three functions of a central bank which differ from the functions of a commercial bank. [6]
- (d) Describe the functions of money. [8]

**Q3.**

- (a) Define 'opportunity cost'. [2]
- (b) Explain why the economic problem can never be solved. [4]
- (c) Using a production possibility curve diagram, analyse the effect of the destruction of some of its resources on an economy. [6]
- (d) Distinguish, using examples, between the different factors of production. [8]

**Q4.**

- (a) Define 'multinational company'. [2]
- (b) Explain why a firm might wish to change from a private limited company to a public limited company. [4]
- (c) Describe any three types of public sector organisations. [6]
- (d) Discuss whether the establishment of a multinational company in a country will always be beneficial for all the workers it employs. [8]

**Q5.**

- (a) Describe the main features of public corporation. [2]
- (b) Discuss whether a country's largest commercial banks should be nationalised and so become public corporations, and taken under government control. [8]
- (c) Discuss how a government might influence private producers. [6]
- (d) Partnerships are owned by only two people while public companies are owned by the government.

Explain whether the above definitions are correct. [4]

**Q6.**

- (a) Explain the term 'public expenditure'. [2]
- (b) Describe the role of entrepreneurs. [4]
- (c) Describe the advantages of a market system. [6]
- (d) Many economies are mixed economies. Discuss why most countries have decided to have a mixed economy. [8]

**Q7.**

- (a) Define 'mixed economy'. [2]
- (b) Explain two functions of a stock exchange. [4]
- (c) Explain three influences of a firm on the amount spend on capital goods. [6]
- (d) Analyze the characteristics of a good money. [8]