



**ADVANCED GCE**  
**ECONOMICS**  
 Economics of Work and Leisure

**F583**

Candidates answer on the Question Paper

**OCR Supplied Materials:**  
 None

**Other Materials Required:**

- Calculators may be used

**Friday 29 January 2010**  
**Afternoon**

**Duration: 2 hours**



Candidate Forename		Candidate Surname	
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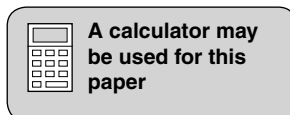
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**INSTRUCTIONS TO CANDIDATES**

- Write your name clearly in capital letters, your Centre Number and Candidate Number in the boxes above.
- Use black ink. Pencil may be used for graphs and diagrams only.
- Read each question carefully and make sure that you know what you have to do before starting your answer.
- Answer Section A and **one** question from Section B.
- Do **not** write in the bar codes.
- The spaces should be sufficient for your answers but if you require more space use the lined pages at the end of this booklet and number your answers carefully.

**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**.
- You will be awarded marks for the quality of written communication in Section B.
- This document consists of **20** pages. Any blank pages are indicated.



## CARRY ON CAMPING

### Increased Demand for UK Campsites

Camping is a leisure activity that millions of UK holidaymakers have pursued for decades. It can be carried out in many ways, from the most basic two-man tent pitched on an isolated farm field in the Lake District to a luxurious motor home or static caravan costing tens of thousands of pounds. In 2009 the camping holiday industry was looking forward to a bright future, if certain news reports were to be believed.

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Tightening financial conditions in the UK have resulted in a boom for the camping holiday industry. The BBC reports that Welsh camping sites have seen healthy bookings, and sales of camping equipment have remained strong despite the current financial squeeze. The chairman of the Wales Tourism Alliance said that there were a number of factors explaining the popularity of camping, including the increased market for environmentally-friendly holidays and a preference for short breaks.

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According to the owner of a campsite in South Wales, up to 100 customers a day are turned away. Other campsites have seen similar trends. A farmer who owns a small site said, "We've got 60 per cent more campers this year and we've added more room for them. We've put it down to the credit crunch."

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In addition, some campsites have seen families booking longer breaks. "The last three or four years we've been running it, it's been one or two or three nights, but this last few weeks we've been taking families for a week" said another campsite owner.

28/07/2008 Best Western editorial news article

### Camping Firms Reveal 'Excellent Sales'

Two major camping companies have revealed high performances during the summer of 2008. Eurocamp and Keycamp both enjoyed healthy occupancy, with increases in year-on-year statistics, despite the latter reducing capacity by 5%.

The firms, which in total hold around 65% of the European tour operator market for pre-erected tents and mobile homes, took more than 500,000 tourists on camping breaks to the continent and to Florida.

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Robin Parry, deputy managing director (MD) of Holidaybreak's camping division, claimed the sector had seen "excellent sales". He added that the factors driving this increased demand were families looking for value for money and a guaranteed campsite.

10/11/2008 UK Campsite message board

**Easter Camping Bonanza**

Almost a third of UK holidaymakers have chosen to stay at campsites or holiday parks during the Easter break, according to a PricewaterhouseCoopers' (PWC) poll. The PWC mobile phone poll texted more than 1,000 consumers on their plans for the Easter weekend. The number of respondents taking camping and holiday park breaks increased by 12% year on year to 29% in 2009. This compared to a fall in the number of respondents staying in a hotel over Easter from 35% last year to 31% this year. The figures back up a recent trend for holidaymakers to book UK breaks in order to economise during the recession. PWC travel director Ian Oakley-Smith said, "At the expense of budget airlines, this Easter is seeing a definite return to traditional British holidays. The weakening of the pound against the euro, ease of travel and perceived value for money deals that UK-based holiday camps offer have caused this sudden rise in popularity. The desire to holiday abroad during April has halved to only 2% of all respondents."

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14/04/09 PricewaterhouseCooper poll

**Section A**

Answer **all** questions from this section

**1** Static caravan holidays are one sub-market in the camping holiday industry.

**(a)** Using the information provided, identify **two** other sub-markets within the camping holiday industry.

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2 .....

..... **[2]**

**(b)** Explain **two** likely reasons for the increase in demand for camping holidays in the summers of 2008 and 2009.

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..... **[4]**



**(d)** Analyse the impact an increase in the capacity of campsites may have on the UK camping holiday industry.

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**(e) (i)** State **two** characteristics of a contestable market.

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2 .....

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**Section B**

Answer **one** question from this section

- 2 (a) Analyse using examples how the immobility of labour may lead to labour market failure. [15]
- (b) Discuss the extent to which government intervention can reduce labour market failure caused by the immobility of labour. [20]
- 3 (a) Analyse how, in theory, wages are determined in a competitive labour market. [15]
- (b) Discuss the extent to which the competitive labour market model is useful and relevant in explaining wage determination within contemporary real world labour markets. [20]
- 4 (a) Analyse the effects on the UK labour market of an increase in the National Minimum Wage. [15]
- (b) Discuss the extent to which an increase in the National Minimum Wage is likely to reduce poverty. [20]

**Section B Total: [35 marks]**

**Paper Total: [60 marks]**



**Section B**

Question No. ....

Start your answer to part **(a)** here

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Start your answer to part **(b)** here

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