New Specification

Rewarding Learning

Centre Number

71	

Candidate Number

General Certificate of Secondary Education
2011

Economics

Paper 1

[G9271]

G9271

TUESDAY 31 MAY, AFTERNOON

TIME

1 hour

INSTRUCTIONS TO CANDIDATES

You should write your report in the spaces provided in this question and answer booklet. 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.
The task and marking criteria are described on page 2.
Your quality of written communication will be taken into account in assessing your report.
This paper is accompanied by a Case Study.

ADVICE TO CANDIDATES

You are advised to spend at least 10 minutes:

- Reading the task
- Reading through the Case Study
- Identifying parts of the Case Study that you might use in writing your report.

Writing your report should take about 45 minutes. You may include diagrams where appropriate.

For Examiner's use only	
Question Number	Marks
AO1	
AO2	
AO3	
Total Marks	

The Task

As an economics student, you have studied a range of information on car use and climate change. You have been asked to write a report on this topic for a local newspaper.

Using the Case Study, any other relevant information you have studied and your own knowledge and understanding of economics, write a report. Your report should clearly **evaluate the main road transport choices facing consumers if they are to limit pollution and reduce their impact on climate change**. You should also include a **discussion of ways in which the Government could influence the choices that consumers make**.

In your report, you should:

1. give a brief introduction setting out what your report is about
2. describe the link between road transport and concerns about climate change
3. explain how the demand for cars has changed in the past 30 years
4. consider the possible impact that reducing CO_2 emissions could have on car manufacturers, employers and providers of public transport
5. discuss the different transport choices facing consumers if they wish to reduce their impact on the environment
6. evaluate and recommend possible ways in which the UK Government could seek to reduce car pollution.

Assessment

Your report will be assessed on your ability to:

- recall, select and communicate your knowledge and understanding of economic concepts, issues and terminology **(15 marks)**;
- apply economics skills, knowledge and understanding about consumers' road transport choices **(18 marks)**; and
- analyse and evaluate evidence, make reasoned judgements and present appropriate conclusions **(27 marks)**.

Start your report on this page.

Examiner Only	
Marks	Remark

Report on Car Use and Climate Change

1. Introduction

2. Link between road transport and climate change

3. Change in the demand for cars

Examiner Only	
Marks	Remark

Examiner Only	
Marks	Remark

Examiner Only	
Marks	Remark

4. Possible impact of reducing CO_2 emissions

(i) Car Manufacturers

(ii) Employers

Examiner Only	
Marks	Remark

(iii) Providers of public transport

5. Transport choices facing consumers

Examiner Only	
Marks	Remark

Examiner Only	
Marks	Remark

6. Government actions to reduce pollution

Examiner Only	
Marks	Remark

Examiner Only	
Marks	Remark

Continuation page (use this page if you need more space to complete your report).

Examiner Only	
Marks	Remark

Continuation page (use this page if you need more space to complete your report).

Examiner Only	
Marks	Remark

THIS IS THE END OF THE QUESTION PAPER

New Specification

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General Certificate of Secondary Education
2011

Economics

Case Study

for use with

Paper 1

Car Use and Climate Change

[G9271]

TUESDAY 31 MAY, AFTERNOON

G9271

You must use **this** clean copy of the Case Study in the examination and not your own annotated copy.

Case Study: Car Use and Climate Change

Climate change is already happening. Important decisions must be made if the worst possible effects are to be avoided. It is an international issue and at the end of 2009, the UN's Climate Change conference held in Copenhagen attempted to agree important actions that countries should take. In the UK, the Climate Change Act has already set a target to reduce CO_2 emissions by at least 80 per cent by 2050. Transport, and car usage in particular, is a significant source of domestic CO_2 emissions which are thought to contribute to climate change.

Source 1: The contribution of transport to UK greenhouse gas emissions

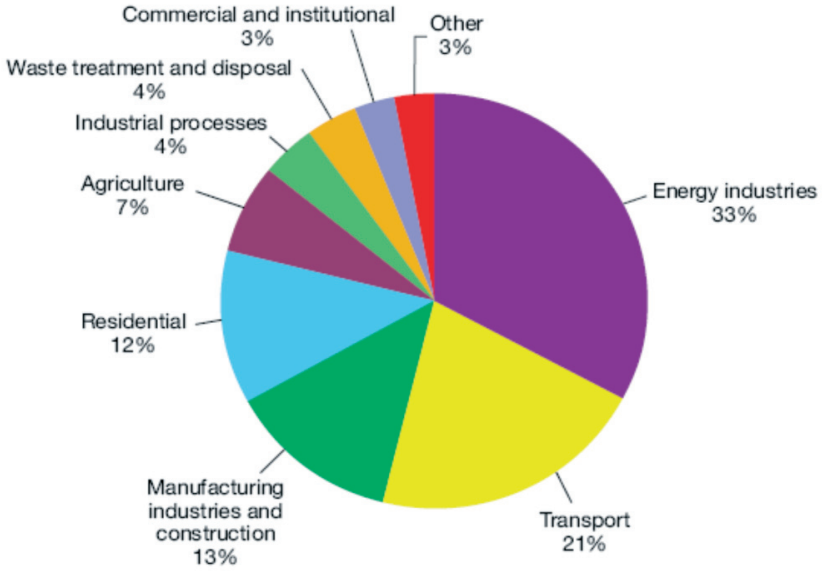

Fig 1: Source of UK's CO_2 emissions

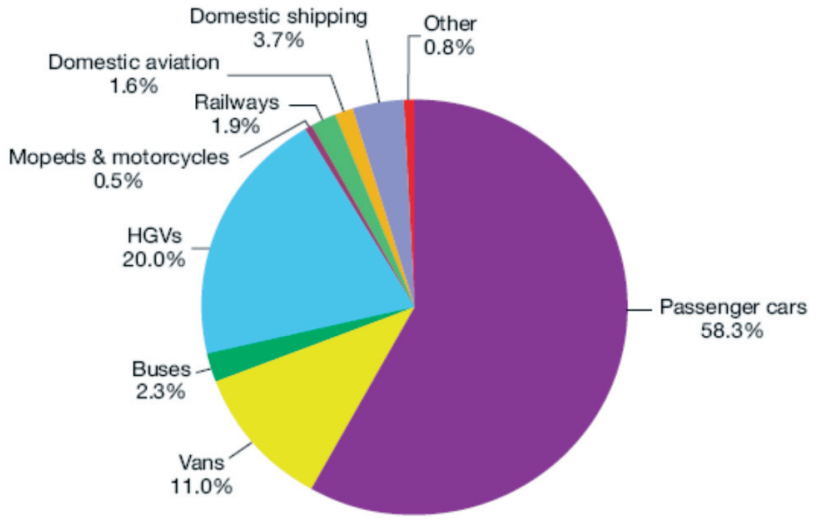

Fig 2: Contribution of transport to the UK's CO_2 emissions

Source 2: Cars: Choice or necessity?

A new report has found that cars totally dominate travel in Britain. Fig. 3 below gives details of how the percentage of households with access to cars has changed since 1971.

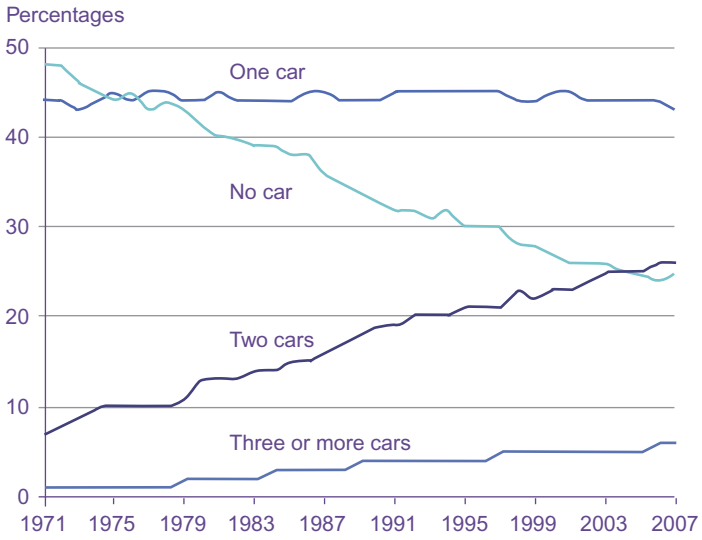

Fig 3: Percentage of households with access to a car

Over the past 10 years, the growth in car ownership was highest among low-income households. There is still a noticeable gap in ownership between low and average income households. The study showed that car owners place a high value on the freedom and independence that a car offers. In particular owning a car was seen as a necessity for work, shopping and after-school activities. The report suggested that the vast majority of drivers have little interest in public transport and that between 80 to 90 per cent of people say they would find it difficult or impossible to adjust to life without a car.

Drivers were aware of the economic and environmental costs of owning a car. People reduced car use when their finances were under strain, but most could not envisage a future without their cars. The report suggested that even in difficult financial times, most people would see a car as a priority. It seems highly unlikely that patterns of car use will change, which in the long run has to be good for motor retailers.

Adapted from: © The Car in British Society by Karen Lucas and Peter Jones published by The RAC Foundation

Source 3: What is the government doing to reduce car pollution?

The UK Government has introduced financial measures to encourage people to choose cars with lower CO_2 emissions. For the past 10 years, the annual Vehicle Excise Duty (VED) rate for new cars has been linked to their CO_2 emissions and the type of fuel used. Car showrooms now provide information to help consumers compare the CO_2 emissions of different makes and models. The Government also publishes guidelines to help people make informed decisions about how to reduce car pollution and an extract from these is outlined below:

- avoid using cars for short journeys – combine trips or walk, cycle or take the bus
- care for your vehicle and service it regularly – an efficient car saves fuel
- car share when possible, when travelling to and from work
- drive gently – racing starts and sudden stops increase fuel consumption
- steady your speed – at around 50 mph emissions will be low but these rise rapidly as speed increases
- air conditioning and electrical devices increase fuel consumption.

Adapted from © Crown Copyright. Department of Transport

Source 4: Is the scrappage scheme really green?

In May 2008, the Government introduced a car scrappage scheme. Motorists buying a new car could apply for a £2,000 discount if they scrapped a vehicle that was more than 10 years old. Each £2,000 grant was made up of £1,000 from the Government and £1,000 from the car industry. The scheme was viewed as a great success as it appeared to have boosted monthly car sales figures during the recession, as shown in Fig. 4.

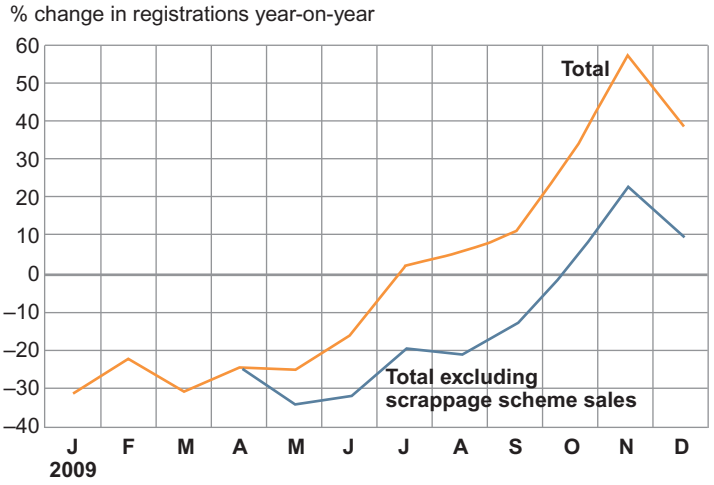

Fig 4: Changes in monthly new car registrations in 2009

© Society of Motor Manufacturers and Traders

Many view this recession-busting scheme as one of the most effective forms of subsidies to the car industry as it has saved tens of thousands of jobs.

© John Stillwell/Press Association Images

Scrappage schemes are often described as environmentally friendly because they get older vehicles off the road by scrapping them and replacing them with the latest models. However, studies show the relative cost of reducing pollution using these schemes is very high. The UK scheme assumed that a new car was less polluting than the one it replaced. In fact new cars registered in 2009, on average, emitted 5.4% less CO_2 compared to 2008 levels.

Critics argue the scheme did not take into account the environmental impact of scrapping the old car and building the new one. A spokesperson for the Environmental Transport Association (ETA) said: "There are lots of 10-year-old cars with plenty of life left in them and from a climate perspective, sending them to the scrap heap is money poured down the drain."

Adapted from © BBC News at bbc.co.uk/news

Source 5: Kicking the car habit

An enterprising bus company on the Isle of Wight introduced its own car scrappage scheme, the “Really Green Car Scrappage Scheme”. They claimed that this was more environmentally friendly than the Government scheme. The offer allowed passengers to swap an old car, scooter, moped or van for a ticket worth up to £720 to use on the company’s buses for 12 months.

A company representative said “Many families feel the need for one car, but the second one is a marginal purchase, often something cheap and cheerful. The costs are often overlooked until it’s time to tax, MOT or insure the car.” He said: “If we get someone out of the costs of car ownership and onto our buses for a year, we are confident that most of them will stay with us for years to come.”

The University of Nottingham is joining forces with the City Council and local hospitals to encourage people to walk and cycle more. All staff, students and hospital visitors are being encouraged to leave their cars at home.

The £3 million project will pay mainly for new infrastructure in and around the city. New cycle routes and other facilities will be provided, alongside investment in new services such as bike hire and cycle training. The project will provide information about cycling to thousands of staff and students, and financial incentives such as discounts at cycle shops.

A spokesperson said: “There is an enormous potential to improve the health of staff and students, and to reduce traffic congestion by encouraging them to walk or cycle more. If the project is a success, it could be rolled out to other cities. People can say to themselves that there is something they can do today to help the environment, their health and bank balance all at the same time – and it can be fun!” They argue that government policy for many years has been to accept the growth in private transport as inevitable and just cater for it, rather than trying to bring about a fundamental change in behaviour.

Adapted from © P A Press and © The University of Nottingham

Source 6: Electric cars to roll-out in Scotland "by 2020"

The UK Government is supporting a shift to new technologies and fuels. It is promoting research and development of "greener" low-carbon vehicles. In the future, vehicles are expected to become vastly more fuel efficient, and to be widely available at affordable prices. The Government is investing in schemes to trial the use of electric cars in cities.

The Scottish Parliament wants to increase the use of electric vehicles in Scotland by 2020. It has introduced plans for all public sector vehicles to be low carbon. They also want to find out how to get the general public to use electric cars. They recognise that success will depend on the development of low carbon technology and they hope that Scottish firms will lead the way in such developments.

A spokesperson said: "Alongside measures to get people out of their cars, a big switch to electric vehicles is going to be an essential part of tackling climate change."

Adapted from © BBC News at bbc.co.uk/news