

THIS IS A NEW SPECIFICATION



ADVANCED SUBSIDIARY GCE
ECONOMICS
 Markets in Action

F581

Candidates answer on the Question Paper

OCR Supplied Materials:

None

Other Materials Required:

- Calculators may be used.

Wednesday 13 January 2010
Afternoon

Duration: 1 hour 30 minutes

| | | | |
|--------------------|--|-------------------|--|
| Candidate Forename | | Candidate Surname | |
|--------------------|--|-------------------|--|

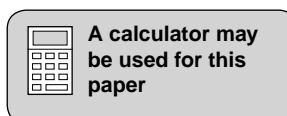
| | | | | | | | | | | |
|---------------|--|--|--|--|--|------------------|--|--|--|--|
| Centre Number | | | | | | Candidate Number | | | | |
|---------------|--|--|--|--|--|------------------|--|--|--|--|

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 **all** the questions.
- 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 where an answer requires a piece of extended writing.
- This document consists of **16** pages. Any blank pages are indicated.



2

The Problem of Health Care

The UK has had a National Health Service (NHS) for over 60 years. Around 98% of the funding to cover the cost of the NHS comes from general tax revenue; the remaining 2% comes from charges for prescriptions, eye examinations and dental work paid for by those groups which are not exempt from such charges. Traditionally, health care has been provided free and available to all UK citizens who need it. In Economics, this type of health care provision is called a merit good. 5

Issues relating to health care never seem to be out of the news. Typical headlines are:

‘East Sussex NHS Trust is faced with the closure of its maternity unit in either Eastbourne or Hastings’. (Hansard, 10 January 2007)

‘Funding cancer drugs makes no sense... the money is best spent on improving surgical techniques’. (Daily Telegraph, 8 August, 2008) 10

The problem we face is that there will never be enough money for the NHS to provide the quantity and quality of health care that we would all like. Consequently, choices, often difficult ones, have to be made. This should be clear from the above headlines.

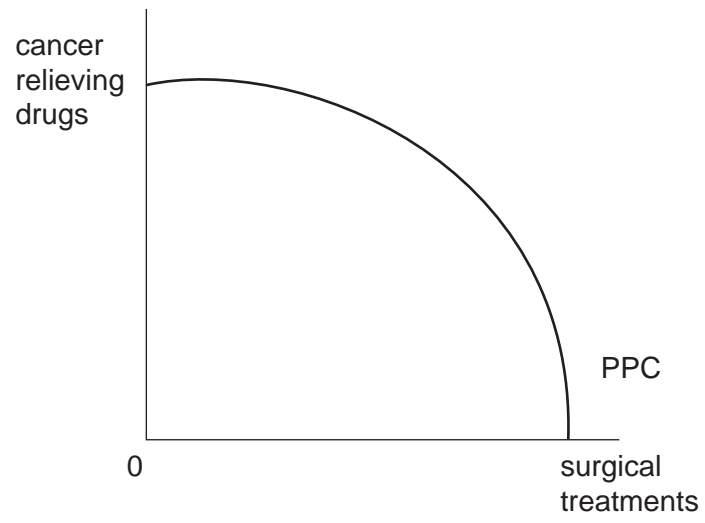
Not all forms of health care are provided free of charge by the NHS. A good example is the case of dental implants, whereby a new tooth is drilled into a patient’s jawbone. Demand for this cosmetic treatment has increased substantially in recent years. Adults are prepared to pay well over £1000 for each implant. This is due to the high cost of raw materials and the limited supply of dentists who are able to do this type of work. Dental implants are just one example of a growing number of situations where the private sector is providing a service in response to market demand. Other examples are private hospitals, private GP services and a wide range of alternative therapies. 15
20

The health care market fails to produce the best allocation of resources due partly to problems of information failure. Over the past few years, there has been an increase in the number of patients requiring treatment for bowel cancer. Recent research has found that there is a link between the consumption of processed meat and the incidence of this type of cancer. Experts have warned that ‘eating one sausage or three rashers of bacon a day can increase the risk of bowel cancer by a fifth’. 25

According to the researchers, people should eat less than 500g of cooked red meat a week and avoid all processed meat products such as hot dogs, burgers and sausages. They also believe that more could be done to get the message across – that those who eat only moderate amounts of red meat and especially processed red meat, are putting their lives at risk, as well as stacking up future problems for our already over-stretched NHS. 30

5

(c) Show on the diagram below how more surgical treatments can be provided. Explain your answer.



.....

.....

.....

.....

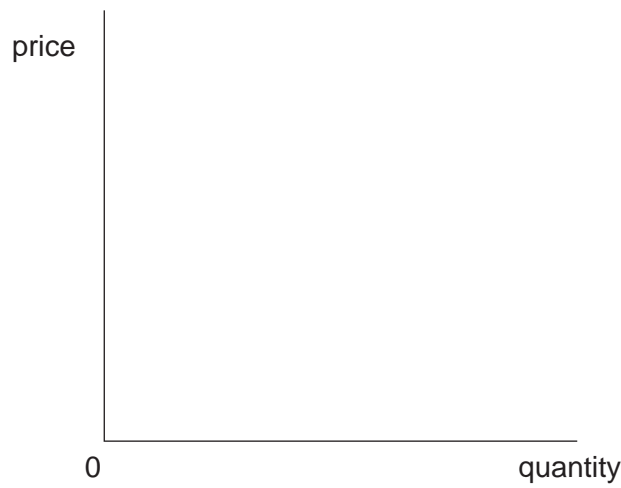
.....

.....

..... [4]

6

- 3 (a) Use a demand and supply diagram to show how the price of private dental implants is determined.



[3]

- (b) State and explain **two** possible reasons for the increase in demand for such implants.

1

.....

.....

.....

.....

2

.....

.....

.....

.....

[4]

A series of 25 horizontal dotted lines for writing.

A series of 25 horizontal dotted lines spanning the width of the page, intended for writing.

PLEASE DO NOT WRITE ON THIS PAGE



Copyright Information

OCR is committed to seeking permission to reproduce all third-party content that it uses in its assessment materials. OCR has attempted to identify and contact all copyright holders whose work is used in this paper. To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced in the OCR Copyright Acknowledgements Booklet. This is produced for each series of examinations, is given to all schools that receive assessment material and is freely available to download from our public website (www.ocr.org.uk) after the live examination series.

If OCR has unwittingly failed to correctly acknowledge or clear any third-party content in this assessment material, OCR will be happy to correct its mistake at the earliest possible opportunity.

For queries or further information please contact the Copyright Team, First Floor, 9 Hills Road, Cambridge CB2 1GE.

OCR is part of the Cambridge Assessment Group; Cambridge Assessment is the brand name of University of Cambridge Local Examinations Syndicate (UCLES), which is itself a department of the University of Cambridge.