Solutions

Marking: **K** knowledge, **App** application to the case, **An** analysis (a developed chain of reasoning), **Ev** evaluation (a justified judgement); calculations earn **M1** for the method and **A1** for the answer.

Each answer shows the steps, then the **result**.

2.1

- fishing fleet **primary**; canning factory **secondary**; supermarket **tertiary** (all three B2; two B1)

2.2

- $13 \div (2 + 5 + 13) \times 100$
- $=$ **65** %

2.3

two reasons, each explained (K + An each):

- **wages** are high, so factories move to lower-cost countries
- as **incomes rise**, people spend a larger share on services
- **automation** replaces factory workers with machines
- cheaper **imports** of manufactured goods

3.1

B

3.2

(a)

- the **sale** of a business owned by the **government** to **private** owners / shareholders

(b)

- $(10 - 8) \div 8 \times 100$
- $=$ **25** %

(c) two reasons, each outlined (K + App each):

- rising **incomes**: people spend more on travel, banking and leisure
- **deindustrialisation**: factory jobs moved abroad, workers moved into services
- **tourism** and new technology services grew

(d) two differences, each explained (K, App, An each):

- a private firm aims for **profit**; a public airline may aim to provide a **service**, such as flights to small islands that lose money
- a public business is answerable to the **government**/taxpayers; a private one to **shareholders**
- a public business may keep **jobs** for social reasons; a private one cuts costs to raise profit

(e) for: (An)

- private owners have a **profit motive** to cut costs and improve service; the loss of $80 m no longer falls on taxpayers; the sale raises money

against: (An)

- unprofitable island routes may be **cut**, isolating those communities; job losses among the 12,000 staff; fares may rise

decision: (Ev) for example, privatise, but with a contract or subsidy to keep the island routes, so taxpayers stop paying for losses while island people keep their service.

Level 3 (5–6): a justified decision for this business, weighing both sides. Level 2 (3–4): points explained and applied. Level 1 (1–2): points identified.