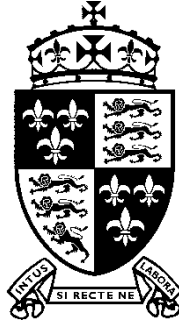


First name:

Surname:

Current School:



SHREWSBURY SCHOOL

SIXTH FORM ENTRANCE EXAMINATION 2016

ECONOMICS

(50 marks)

(1 hour)

Instructions to candidates:

Answer Questions 1-4, and either Question 5 or Question 6.

Question 1. Restaurant

Jane is worried that her restaurant is not making a profit i.e. the total costs of running the restaurant are greater than the total revenue from the customers. She has started to prepare a table of monthly costs for the restaurant as shown below. Note: Fixed Costs do not change as the number of customers change whilst variable costs are directly linked to the number of customers.

Number of Customers	Fixed Costs (£)	Variable Costs (£)	Total Costs (£)
10	1000	50	1050
20	1000	100	
30			

a) Complete the table above (4 marks)

b) Currently Jane has 100 customers per month paying on average £25 each. Calculate how much profit or loss she makes. Show your workings (3 marks)

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Question 2.

a) Calculate the export and import prices in the table below (4 marks)

At an exchange rate:	The price of a £100,000 Aston Martin car exported in \$ would be:	The price of \$100,000 of imports in £ would be:
£1: \$1.5		
£1: \$2		

b) If the £ rises from \$1.5 to \$2 but Aston Martin decided to hold its U.S. \$ car prices constant calculate the UK £s revenue per car. (2 marks)

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c) Explain why a company might take such an action? (3 marks)

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Question 3: Cinemas

Cinema Statistics			
	Number of cinemas	Number of screens	Revenue per admission £
1996	500	1000	4.00
2006	600	2400	6.00
2016	700	3500	9.00

a) Calculate the percentage increase in the number of cinemas from 1996 to 2016

(2 marks)

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b) Using suitable calculations describe the trend in the size of cinemas shown in the table

(3 marks)

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c) 'Revenues per admission cannot carry on rising.' Explain whether you agree or disagree with this statement.

(4 marks)

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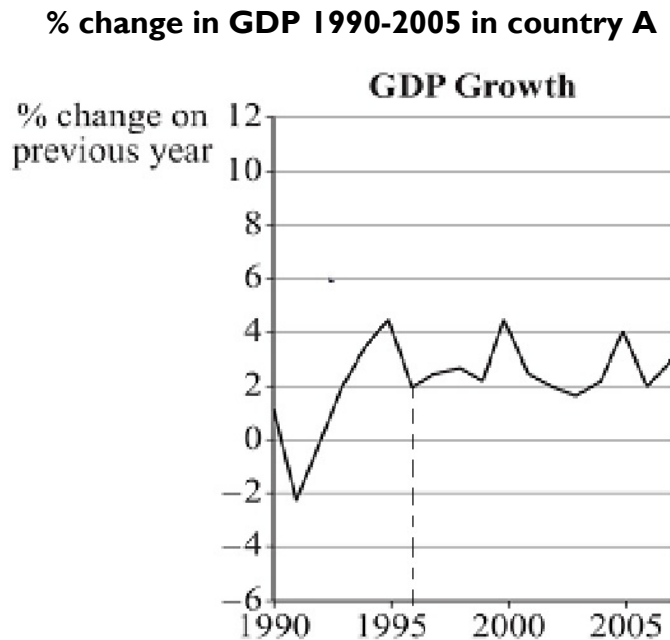
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Question 4: Economic Growth

Gross Domestic Product (GDP) is a monetary measure of the total output of goods and services that an economy produces in a year. A rise in GDP means an economy is growing and a fall in GDP means an economy is shrinking (recession).



- a) If in 1995 GDP = £500bn, Calculate GDP in 1996 (dotted line) (2 marks)

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- b) Using the graph describe what happened to the economy between 1990 and 1995. (3 marks)

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