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UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
International General Certificate of Secondary Education

ECONOMICS **0455/06**

Paper 6 Alternative to Coursework

May/June 2005

1 hour 30 minutes

Additional Materials: Answer Booklet/Paper

READ THESE INSTRUCTIONS FIRST

If you have been given an Answer Booklet, follow the instructions on the front cover of the Booklet.
Write your name, Centre number and candidate number on all the work you hand in.
Write in dark blue or black pen on both sides of the paper.
You may use a soft pencil for any diagrams, graphs or rough working.
Do not use staples, paper clips, highlighters, glue or correction fluid.

Answer **all** questions.
At the end of the examination, fasten all your work securely together.
The number of marks is given in brackets [ ] at the end of each question or part question.

This document consists of **3** printed pages and **1** blank page.

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1

Tourism in Oman

The government of Oman, a country in the Middle East, has produced a Tourism Priority Action Plan by which it intends to promote tourism in five regions in the country. It sees tourism as a big provider of jobs for the fast-growing and youthful population and as a major contributor to future economic growth.

The focus of the Action Plan will be on the provision of cultural and heritage attractions, adventure tourism, and coastal and leisure resorts. A government minister said 'Oman has much to offer visitors, including spectacular mountains, desert, some of the world's finest beaches and a rich cultural heritage. The government should help the private sector in the provision of tourist attractions.'

The private sector is responding to this encouragement. One of the biggest projects is a $200 million development which includes three high-quality hotels with a total of 670 rooms, a health club, leisure facilities and private beaches. These will be added to the existing hotels, which include some of the world's finest.

A spokesman for the private company building the hotels said that in the 1980s the company was involved in the construction boom for roads and heavy civil engineering, but now it was necessary to develop other projects. Building hotels was an opportunity for the company. The owner of another Oman company, which has various international hotel interests, including a five star hotel in London, said 'Only tourism can deliver mass job creation, which is necessary to bring the country alive.'

(a) Identify **four** attractions that Oman can offer visiting tourists. [2]

(b) Explain whether the Tourism Priority Action Plan means Oman should be classified as a planned economy. [4]

(c) Explain why the population of a developing country such as Oman is likely to be a 'fast-growing and youthful population.' [4]

(d) Imagine you are in charge of advertising the new hotels. What information do you need to plan your advertising? To what type of customer would you direct your advertising? [6]

(e) **(i)** Explain what is meant by 'economic growth'. [5]

(ii) Discuss what benefits might follow from the development of the new hotels. [7]

[Total: 28]

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2

South African Living Standards

The charts show the percentages of households with access to selected goods and services in two areas of South Africa. Chart 1 refers to the city of Johannesburg and Chart 2 refers to a rural area.

Chart 1 City of Johannesburg

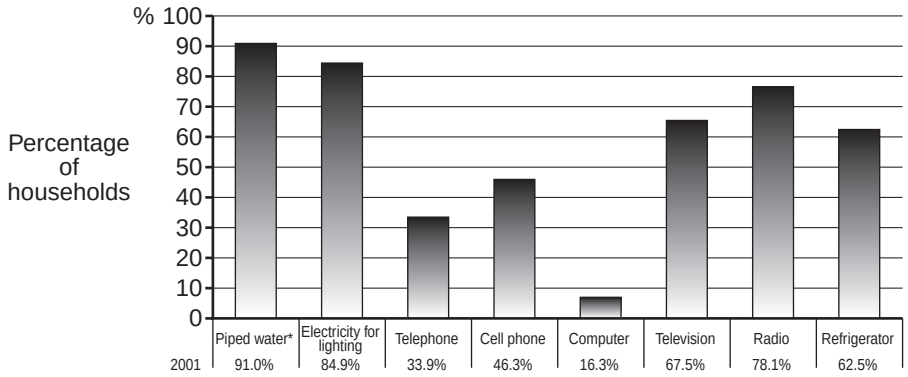
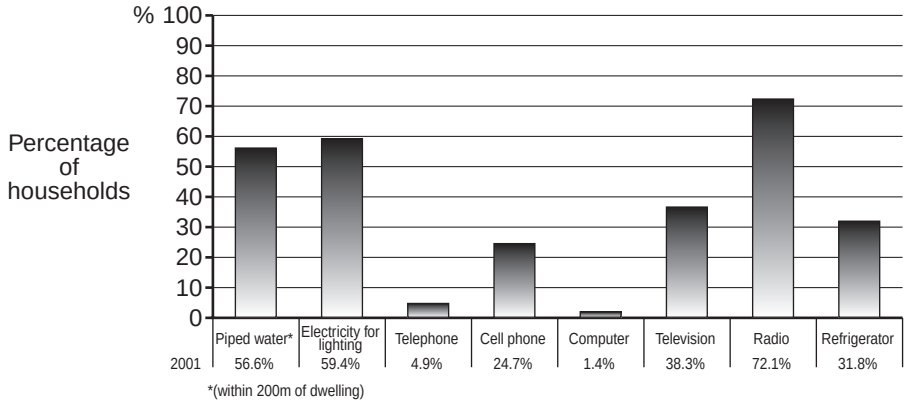


Chart 2 Rural Area



(a) Identify what you consider to be the **two** most significant indicators of differences in living standards between Johannesburg and the rural area, and explain the reasons for your choice. [4]

(b) Some people think that the incomes of those living in rural areas need to be raised. This could be achieved by providing better access to markets, improved basic infrastructure and help for small businesses. An alternative policy would be to encourage those living in rural areas to move to the city.

If you were asked to decide between these policies what would you recommend and why? [8]

[Total: 12]

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Question 2 © Business Report, South Africa.

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