You must answer all four questions. Each of the four questions is worth 25 marks.

You need not answer the questions in the order set, 
but you must start each one on a separate piece of paper.

Remember to write your candidate number on every sheet of answer paper used.

If you have not finished a question after 20 minutes, you are strongly advised to leave it and go on to another. Return to any unfinished question if you have time left at the end of the paper.

You are permitted 15 minutes’ reading time before starting this paper.

It is recommended that you use this time to familiarise yourself with the outline of the questions rather than trying to work out any of the answers in detail.

You may not write anything during this period.

ADDITIONAL MATERIALS REQUIRED: A3 INSERT

Do not open the paper until instructed to do so.

You will be given an opportunity to check that you have the Insert before starting.
First read the following paragraph, which briefly summarises the tragic story of Icarus.

**The Myth of Icarus**

Icarus was the young son of Daedalus, a great inventor. Both Daedalus and Icarus were cruelly imprisoned by Minos, King of Crete. In order to escape, Daedalus managed to create gigantic wings made from branches, feathers, and wax. He taught Icarus how to fly, but warned him to keep away from the sun because the heat would make the wax melt, destroying the wings. Daedalus and Icarus managed to escape and flew up into the sky. Despite his father’s warnings, Icarus was overcome by the thrill of flying and flew up high, too close to the sun; as a result, his wings melted, he fell into the sea, and drowned.

Now take a close look at the sources on the insert and then answer the following questions.

The painting is by Pieter Breughel the Elder (1525-1569); it is called *Landscape with the Fall of Icarus*.

The poem is by the American poet William Carlos Williams (1883-1963); it is also called *Landscape with the Fall of Icarus*.

(a) What might surprise you about Breughel’s depiction of Icarus? [3]

(b) What do you think is the overall message of the painting? [10]

(c) In what ways is Williams trying to recreate the impact of Breughel’s painting? [12]
Grids which may help you with your working are provided on the insert.

My mobile telephone has a numeric keypad with ten keys on each of which is printed exactly one of the numbers 0123456789. Each key is associated with either two or three of the letters ABCDEFGHIJKLMNOPQRSTUVWXYZ in sequence, each letter being associated with exactly one key. In the list of letters associated with any given key, order is important.

I use my telephone to send a text message by depressing in sequence the keys associated with the letters of a grammatically correct English word or sentence. Each letter of the message is entered separately, followed by a short pause. To enter a letter, its associated number key is pressed the same number of times as the position of the required letter in the list of letters associated with that key. Thus the word FOX might be entered as 966333, if F were the first letter associated with number key 9, O the second letter associated with number key 6 and X the third letter associated with number key 3. Pauses and punctuation are not notated, so the word FOOD, might be keyed in as 9^66^66^8 (where ^ represents a pause) but is recorded simply as 966668.

(a) Exactly one of the following four text messages means MAD YAKS KILL HENS. Determine which and translate the others.

A 27899988629997228898862
B 5557807525455559998862
C 77789998862887220752
D 27807529889998862

(b) I drop my telephone and it develops a fault: the association between letters and keys is changed and is no longer sequential. Exactly one of the following messages now means BAD DOGS EAT MEN. Determine which and translate the others.

P 27777337728885552203772
Q 277773655515552203772
R 422377288855522065551
S 42236555155522065551

(c) I thump my telephone and a new fault occurs: the association between letters and keys is changed again. Exactly one of the following messages now means GRIM GIRLS EAT CAKE. Determine which and translate the others to tell the story of Kate and Erik.

W 11111112111111122433333443443443
X 31111144111443333342333333
Y 31111144333334434111333333111114444
Z 311111443333334433444443443443

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In the following excerpt, the character Socrates relates a parable to explain his argument about what sort of person should rule society. Read the passage and answer the questions which follow it.

‘Imagine the following situation on a fleet of ships, or on a single ship. The captain is larger and stronger than any of the crew, but a bit deaf and short-sighted, and similarly limited in seamanship. The sailors are arguing with one another because each thinks that he ought to be the captain, despite their lack of formal training. In any case, they all think that steering a ship isn’t something that can be taught, and they are ready to butcher anyone who disagrees. They spend all their time milling round their captain and doing all they can to get him to give them the wheel. Sometimes, if they fail to persuade him and others get control of the ship, they kill those others or throw them off the ship, and weaken their captain with drugs and drink. They then take control of the ship, help themselves to its cargo, and turn it into the sort of drunken pleasure-cruise you would expect. And that’s not all: they think highly of anyone who contributes towards their gaining power by showing skill at winning over or subduing the captain, and describe that person as an accomplished seaman, a true captain, a naval expert; but they criticize anyone different as useless. They completely fail to understand that any genuine sea-captain has to study the yearly cycle, the seasons, the heavens, the stars and winds, and everything relevant to the job, if he’s to be properly equipped to hold a position of authority in a ship. In fact, they also think it’s impossible to study and gain expertise at how to steer a ship and at the same time be a good captain. When this is what’s happening on board ships, don’t you think that the crew of ships in this state would think of any true captain as nothing but a word-spinner with his head in the clouds, of no use to them at all?’

(a) What do you think Socrates means by a ‘word-spinner with his head in the clouds’?  

(b) What do you think the following characters in the parable represent? Explain your reasoning.

(i) The crew

(ii) The deaf and short-sighted captain

(c) Explore the view that the rulers of society should be ordinary people rather than specially trained individuals.
Banks are commercial businesses that attract savings from people and these provide funds from which loans can be made. A bank lends to those who need to borrow and it makes a profit by charging a higher interest rate on loans than the rate it offers to savers. Every time a saver puts money into an account, the bank must decide how much to hold as a cash reserve so that there is enough money to meet daily cash withdrawals. The remainder can be lent out in the form of a loan which is credited to the bank account of a borrower and can then be spent. It is up to the bank to decide how much interest to charge on a loan and the length of time that a borrower is allowed before repaying the money.

On any given day, only a tiny proportion of savers will go to a bank to ask for their money back. This allows a bank to keep a very low percentage of new savings in cash and to lend out the remainder. Consider this example: if I put £5,000 of my savings into my bank account, it is possible that the bank will keep only £50 of this as a cash reserve and lend out the rest. Once spent, this money is likely to find its way back into other banks in the form of fresh savings. In this way our banking system seems to have an almost unlimited ability to lend and create new money and make high profits. Barclay’s Bank made profits of £6 billion in 2010 and HSBC, Europe’s biggest bank, made profits of £12 billion.

Not every loan request is accepted and recently banks have been much criticised in the media for cutting the amount of loans they offer to small businesses and for preventing the British economy recovering from the recession. Savers, too, appear to have suffered recently; the interest they have received from banks has not kept pace with increases in the cost of living and millions of savers have seen a fall in their standard of living.
(a) With the help of the data in the chart, explain why “savers have seen a fall in their standard of living”.

(b) According to the passage, “our banking system seems to have an almost unlimited ability to lend and create new money and make high profits.”

   (i) Identify **two assumptions** made in this statement

   (ii) In what ways is this model of lending by banks flawed?
(c) Lending Decisions

- You have a job with a bank that asks you to make decisions on whether to give a loan to a borrower
- Your bank has a maximum of £20,000 available to lend out
- Four people come to you each wanting a loan

Using your judgement, explain whether you would make a loan to any of these customers. Remember that you have £20,000 to lend and you do not have to use the full amount. Marks will be awarded for clear reasoning. No calculations need to be made.

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<tr>
<th>Borrower A</th>
<th>Borrower C</th>
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<td>Alfie is an 18 year old student still at school who plans to read computer science at university next year. Just a few months ago he founded The App Factory - a new business that develops Apps for smart phones. He has no expertise in writing Apps but he spotted that millions of Apps are being downloaded every day for small payments starting at less than £1 each. Alfie wants a bank loan of <strong>£10,000</strong> with a minimum repayment period of 3 years so that he can employ other students at his school on a part-time basis to develop new Apps that he can sell in the Apple App Store.</td>
<td>Carla has recently set up an online store called Fab Car that sells car accessories designed for fashion-conscious female drivers. She is 40 years old and this is her first attempt to start a business having lost her job at a travel company last year. She is looking for a bank loan of <strong>£10,000</strong> for 2 years to cover the cost of buying stocks of accessories and to launch an online marketing campaign and website to boost her sales. She has some of her own savings but is keen not to use these at the moment as her business is still at a very early stage of growth.</td>
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<th>Borrower B</th>
<th>Borrower D</th>
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<td>Bill is 59 years old and runs a small family-owned construction business. He specialises in building new homes for families on low incomes which are then rented out to tenants when completed. His business has made a loss in each of the last three years but Bill senses that the housing market is growing once again and he wants to borrow <strong>£20,000</strong> for a minimum of 5 years to buy some land that has become available. The business also owns property that is rented out to local shops.</td>
<td>Dave is 30 years old and owns and runs a waste disposal business for local shops and offices in his town. He has been in business for eight years and he employs seven people. The business has no debt but occasionally makes a loss when the local economy is in a downturn. Dave needs a loan of <strong>£10,000</strong> to be repaid over 10 years to buy some new waste disposal equipment which will allow his business to grow.</td>
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