

English 1

Época de Recurso/Melhoria

2017-2018

1 February 2018

Time allowed: 2 hours

NOTE: During the exam students may consult a dictionary, which must not contain any handwritten notes. Students are NOT allowed to consult any electronic device or extra notes or materials.

The answers to question B, numbers 1-8 are to be written on the exam question paper. All other answers are to be written in an examination answer booklet.

A. Writing (13 points)

Use the information in figure 1 to explain and illustrate how surge pricing in Uber works (250-350 words).

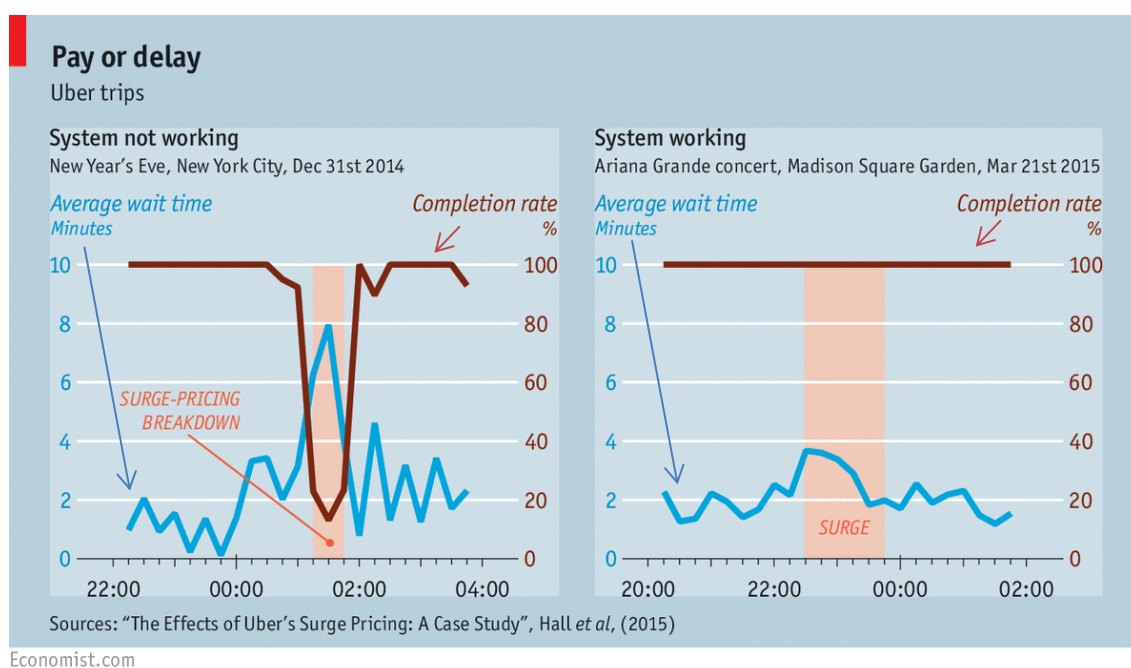


Figure 1: The effects of Uber's Surge Pricing

Source: The Economist, 4 May 2016

Your text will be marked on content, discourse management and genre, range and appropriacy of vocabulary and structures, and grammatical accuracy.

B. Reading Comprehension (5 points)

Read the text on page 2, then answer the questions that follow on pages 3 and 4.

Surge pricing comes to the supermarket

Online retailers are increasingly using your personal data to decide how much to charge you.

Tim Adams

The Guardian, Sunday 4 June 2017 07.00 BST

1. In 1861 a shopkeeper in Philadelphia revolutionised the retail industry. John Wanamaker, who opened his department store in a Quaker district of the city, introduced price tags for his goods, along with the high-minded slogan: "If everyone was equal before God, then everyone would be equal before price." The practice caught on. Up until then high-street retailers had generally operated a market-stall system of haggling on most products. Their best prices might be reserved for their best customers. Or they would weigh up each shopper and make a guess at what they could afford to pay and eventually come to an agreement.
5. Wanamaker's idea was not all about transparency, however. Fixed pricing changed the relationship between customer and store in fundamental ways. It created the possibilities of price wars, loss leaders, promotional prices and sales. For the first time people were invited to enter stores without the implied obligation to buy anything (until then shops had been more like restaurants; you went in on the understanding that you wouldn't leave without making a purchase). Now customers could come in and look and wander and perhaps be seduced. Shopping had been invented.
10. For the last 150 years or so, Wanamaker's fixed-price principle has been a norm on the high street. Shoppers might expect the price of bread or fish or vegetables to go down at the end of a day, or when they neared a sell-by date, but they would not expect prices to fluctuate very often on durable goods, and they would never expect the person behind them in the queue to be offered a different price to the one they were paying. That idea is no longer secure. Technology, for better and worse, through the appliance of big data and machine intelligence, can now transport us back to the shopping days of before 1861.
15. The notion of "dynamic pricing" has long been familiar to anyone booking a train ticket, a hotel room or holiday (Expedia might offer thousands of price changes for an overnight stay in a particular location in a single day). We are used to prices fluctuating hour by hour, apparently according to availability. Uber, meanwhile, has introduced – and been criticised for – "surge pricing", making rapid adjustments to the fares on its platform in response to changes in demand. During the recent tube strikes in London, prices for cab journeys "automatically leapt 400%. (The company argued that by raising fares it was able to encourage more taxi drivers to take to the streets during busy times, helping the consumer.)
20. What we are less aware of is the way that both principles have also invaded all aspects of online retailing – and that pricing policies are not only dependent on availability or stock, but also, increasingly, on the data that has been stored and kept about your shopping history. If you are an impulse buyer, or a full-price shopper or a bargain hunter, online retailers are increasingly likely to see you coming. Not only that: there is evidence to suggest that calculations about what you will be prepared to pay for a given product are made from knowledge of your postcode, who your friends are, what your credit rating looks like and any of the thousands of other data points you have left behind as cookie crumbs in your browsing history.
25. Facebook has about 100 data points on each of its 2 billion users, generally including the value of your home, your regular outgoings and disposable income – the kind of information that bazaar owners the world over might have once tried to intuit. Some brokerage firms offering data to retailers can provide more than 1,500 such points on an individual. Even your technology can brand you as a soft touch. The travel site Orbitz made headlines when it was revealed to have calculated that Apple Mac users were prepared to pay 20-30% more for hotel rooms than users of other brands of computer, and to have adjusted its pricing accordingly. ...
30. Increasingly, there is no such thing as a fixed price from which sale items deviate. Following a series of court judgments against other retailers advertising bogus sale prices, Amazon has tended to drop most mentions of "list price" or recommended retail price, and use instead the reference point of its own past prices.
35. This looks a lot like the beginning of the end of John Wanamaker's mission to establish "new, fair and most agreeable relations between the buyer and the seller" and to establish something closer to a comparison site that works both ways – we will be looking for the low-selling retailer, while the retailer will equally be scanning for the high-value customer. The old criticism that consumer societies know the price of everything and the value of nothing is under threat: even the former certainty is up for debate.
- 40.
- 45.
- 50.

Name: Number:

B. Reading comprehension (cont.)

Choose **one** answer to each question and write the letter clearly in the box. [e.g. *b*]
(0.5 points each correct answer; - 0.16 each incorrect answer)

1. The main purpose of the article is
a. to report what online businesses are doing.
b. to argue that technology has challenged the use of fixed pricing.
c. to explain that fixed pricing is a thing of the past for high street shops.
d. to describe how online retail business establish their prices.
2. According to John Wanamaker,
a. fixed prices would encourage people to buy goods.
b. people should be able to look before they buy.
c. people should pay the same price for the same good.
d. None of the alternatives is correct.
3. Pricing practices between physical shops and e-commerce retailers
a. differ due to differences in consumer preferences.
b. have both been revolutionised by technology.
c. used to operate on the same principle in the 20th century.
d. None of the alternatives is correct.
4. What does the author think about dynamic pricing?
a. He considers it an ethical practice.
b. He challenges the ethics of it.
c. He does not commit himself to a stance.
d. He believes it can also work to the consumer's advantage.
5. On on-line platforms, such as Expedia,
a. prices fluctuate according to availability.
b. prices fluctuate not only according to availability.
c. prices remain constant for all customers.
d. None of the alternatives is correct.
6. Which statement is false?
a. On-line retailers are increasingly targeting only wealthier customers on the basis of their data history.
b. Customers on-line do not usually realise the extent to which their digital history affects the price of their purchases.
c. It was surprising for the public to learn that Orbitz charged Apple Mac users more for hotel rooms because their research had found that they would pay more than other computer brand users.
d. Customers in a shop in the 20th century would not accept the principle of dynamic pricing.

B. Reading comprehension (cont.)

Reference, substitution and ellipsis

What do the following items (highlighted in the text) refer to? I.e. what is their specific meaning in this particular text? (0.4 points each)

7. It (line 9)
8. they (line 17)
9. one (line 19)
10. That idea (line 19)
11. its (line 26)

C. Vocabulary (2 points)

Complete each sentence with an expression similar in meaning to the explanation in brackets. The first letter of the keyword is given to help you. All letters are in lower case. You might need to add a preposition and you will need to conjugate verbs. (0.4 points each)

1. The government is considering plans that would allow hospitals **u.....** each other to attract NHS patients. (to offer goods or services at a lower price than a competitor)
2. In March 2012, total household debt **s.....** £1,518.5bn in today's prices compared with £1,630.1bn in March 2017. (was)
3. The worker-owned and managed co-op,[Suma,] founded in 1976, has grown to become the UK's largest independent natural food **w.....** and distributor, specialising in vegetarian, Fairtrade and ethically produced goods. (business that buys large quantities of goods and sells them in smaller amounts)
4. Google has officially submitted plans for its new 92,000-square metre "landscaper" London **h.....**, with the intention of beginning construction on the building in 2018. (the premises serving as the managerial and administrative centre of an organization)
5. This tax plan makes the US look more and more like a **r.....** society ([a society] that lives off its income from property or investments)

Answers

A. Writing (13.5 points)

A good answer will follow explain the purpose of surge pricing and how it works using examples from the graph to illustrate the explanation. The register should be relatively formal, with few overtly subjective or personal lexico-grammatical selections and it should show command of the language of cause and effect. There should be a clear topic sentence. Information flow should be clearly maintained through use of conjunctions and appropriate thematic development. Content should include:

- The purpose of surge pricing is to regulate demand and supply of Uber services such that no customer has to wait too long for the ride.
- How it works: sudden rise in demand → sudden rise in price of service
- Higher price → more Uber drivers are willing to offer the service
- Higher price → fewer passengers are willing to pay the high price
- Higher price → creates new equilibrium (more drivers & fewer customers) such that passengers don't have to wait.
- E.g. on new year's eve the system broke down → the number of drivers did not increase & the number of customers did not decrease → it became harder to find a driver & average wait time increased to 8 minutes
- E.g. after the concert in Madison Square the system worked → average wait time increased to only 4 minutes

B. Reading comprehension 4.55

(0.5 points each)

(0.4 points each)

- | | | |
|------|-------------------------|--|
| 1. b | 7. It (line 9) | fixed pricing (reference) |
| 2. c | 8. they (line 17) | shoppers (reference) |
| 3. d | 9. one (line 19) | price (substitution) |
| 4. d | 10. That idea (line 19) | That people do not expect prices to fluctuate very often on durable goods, and they would never expect the person behind them in the queue to be offered a different price to the one they were paying (reference) |
| 5. b | | |
| 6. a | 11. its (line 26) | Uber (reference) |

C. Vocabulary (0.4 points each)

1. to undercut;
2. stood at;
3. wholesaler;
4. headquarters;
5. rentier.