

Mark Scheme (Results)

Summer 2013

Principal Learning
Business, Administration and Finance
(BA203/01)

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General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, ie if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

Question Number	Answer	Mark
1	D	(1)

Question Number	Answer	Mark
2	C	(1)

Question Number	Answer	Mark
3	A	(1)

Question Number	Answer	Mark
4	C	(1)

Question Number	Answer	Mark
5	B	(1)

Question Number	Answer	Mark
6	D	(1)

Question Number	Answer	Mark
7	A	(1)

Question Number	Answer	Mark
8(a)	Ettienne	(1)

Question Number	Answer	Mark
8(b)	Colin	(1)

Question Number	Answer	Mark
8(c)	Marissa	(1)

Question Number	Answer	Mark
9(a)	Bank or building society	(1)

Question Number	Answer	Mark
9(b)(i)	<p>1 mark for identification, 1 mark for expansion</p> <p>Time lag between paying cheque and money coming out of account (1) which could prevent Ollie from going overdrawn (1)</p> <p>Can send cheque by post (1) no need to go in person (1)</p> <p>Can be cancelled (1) if lost, stolen or misplaced (1)</p> <p>Accept any reasonable response</p>	(2)

Question Number	Answer	Mark
9(b)(ii)	<p>Charges for being overdrawn</p> <p>Ollie has to go to the bank (1) to arrange an agreed overdraft (1) so that higher charges for unauthorised overdraft (1) are not charged against his account (1).</p> <p>Ollie can also increase income (1) or decrease spending (1) which helps prevent his bank account going into overdraft(1) avoiding unnecessary charges(1)</p>	(4)

Question Number	Answer	Mark
9(c)	<p>1 mark identification, 1 mark expansion (x2)</p> <p>Usually charges a higher rate of interest (1) than other types of credit (1)</p> <p>Reduces choice of shops to purchase at (1) as it ties the individual to one business (1)</p> <p>Accept any reasonable response</p>	(4)

Question Number	Answer	Mark
10(a)	<p>Currency Exchange: 110 Euros</p> <p>Euros to British Pounds = $110 \times 0.8727 = 95.997$ GBP</p> <p>Commission Fee @1.9% = 1.82</p> <p>Final amount= £94.18 (rounded down to two decimal places)</p> <p>OFR applies to 'Final amount' if either part one or part two are incorrect. Do not award if both parts are incorrect)</p>	(3)

Question Number	Answer	Mark
10(b)	There are no guarantees on exchange rates (1) as these fluctuate with the economy of a country (1) can depend on economic performance of other countries (1) different bureau de change will charge different interest rates (1) if the € fell in value against the £ (1) would get more £s for your £s (1)	(4)

Question Number	Answer	Mark
11(a)	Total deductions = £234.54 Net Pay = £1045.66 (OFR)	(2)

Question Number	Answer	Mark
11(b)(i)	Gross pay to date is the amount of pay earned so far this year before any deductions are taken off for PAYE/NIC	(1)

Question Number	Answer	Mark
11(b)(ii)	National Insurance: the contribution deducted from individual's pay to pay for government services such as benefits, pensions and NHS	(1)

Question Number	Indicative Content	
11(c)	How tax income may be used: Taxes are paid by individuals used by government to support the economy through economic and fiscal policies that can redistribute wealth and provide a range of services such as education, social security benefits, pensions and NHS. Accept any reasonable response	
Level	Mark	Descriptor
	0	No rewardable material
1	1-2	Candidate identifies how government uses tax income, at the top of this level the candidate will demonstrate understanding of one use of tax income.
2	3-4	Candidate identifies two or more uses of tax income, at the top end there will be an indication that the government can use taxation to manage the economy.
3	5-6	Candidate will give a basic description of the effects of levying taxes, at the lower end there will be broad outlines, at the top end it will be focused on fiscal policy and redistribution of wealth.

Question Number		Indicative Content
12(a)		Rent is money paid to another person/organisation. Paying a mortgage is an investment in property. If they moved and paid rent they would have no equity. A mortgage on a property could result in equity. A property is an asset. The ownership can be transferred eg sale or inheritance. The property could be used as collateral for further borrowing.
Level	Mark	Descriptor
	0	No rewardable material
1	1-2	Candidate identifies one or two benefits to Simon and Yussef of buying a property, at the top end there will be a clear description of at least one feature such as rent does not result in equity.
2	3-4	Candidates identify the long term effects of owning a property. At the top of this level candidates will demonstrate understanding of more than two benefits and will be able to expand on one of these
3	5-6	Candidates will give a good description of the benefits of buying a property. At the top end they will understand the relationship between property and asset.

Question Number	Answer	Mark
12(b)	Earned income Savings Inheritance Accept any reasonable response	(3)

Question Number	Answer	Mark
12(c)	Objectivity - Bank wants to sell their own products (1) Quality of advice - No comparison with other providers (1) Degree of detail – The range of mortgages from other providers have not been checked (1) Accept any reasonable expense	(3)

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