

Free-Standing Mathematics Qualification
January 2007
Intermediate Level



CALCULATING FINANCES
Unit 4

6984/2PM

PRELIMINARY MATERIAL

DATA SHEET

**To be issued to candidates between Wednesday
17 January 2007 and Wednesday 24 January 2007**

REMINDER TO CANDIDATES

YOU MUST **NOT** BRING THIS DATA SHEET
WITH YOU WHEN YOU SIT THE EXAMINATION.
A CLEAN COPY WILL BE MADE AVAILABLE.

Cost of protection payments

The cost of borrowing money depends on the amount borrowed, the length of the repayment period and the interest rate. The cost of monthly payments also depends on whether or not the person borrowing money requires insurance which would pay the premium if he/she were made redundant or became unable to work.

Typical loan repayments based on a £ 5000 loan repaid over three years for five different lenders are:

Lender	Monthly payments (£)	
	With insurance	Without insurance
Bank of Scotland	200.87	162.77
Barclays Bank	202.69	173.26
Giraffe Loans	166.51	150.91
Lombard Direct	167.95	152.60
Nationwide Building Society	167.06	153.25

Data correct as of 1.8.2005

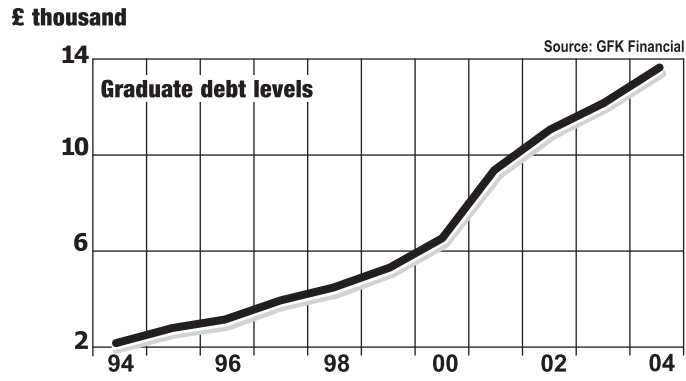
Visitors to the UK

The number of visitors to the UK in 2003 was recorded together with the amount, in total, which they spent whilst in the UK.

Country from which visitor came	Number of visitors (thousands)	Total amount spent in the UK (£ millions)
USA	3346	2318
France	3073	823
Germany	2611	694
Ireland	2488	682
Netherlands	1549	535

Graduate debt

The graph shows the average debt of a graduate on graduation.



Turn over

Turn over ►

Taxation 2006–2007**Value Added Tax (VAT)**

The standard rate is 17.5%.

The rate for fuel is 5%.

Income Tax 2006–07

How your tax is calculated:

Find your taxable income by subtracting your tax free allowance from your annual income.

You pay income tax at 10% on the first £ 2150 of your taxable income.

You pay income tax at 22% on the next £ 31 150 of your taxable income.

You pay income tax at 40% on your taxable income above £ 33 300.

National Insurance 2006–07

Rates of national insurance are:

0% on income up to £ 97 per week or £ 420 per month;

11% (contracted out 9.4%) on income between £ 97 and £ 645 per week
or between £ 420 and £ 2795 per month;

1% on income over £ 645 per week or over £ 2795 per month.

If an employee has entered an occupational pension scheme, the employee may ‘contract out’ and pay national insurance at a lower rate. In this case, the employee will receive, from the state, only the basic state retirement pension.

END OF DATA SHEET

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Cost of protection payments: www.moneyfacts.co.uk
Data correct at 1 August 2005

Visitors to the UK: International Passenger Survey, Office of National Statistics

Graduate debt: GFK Financial

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