

Free-Standing Mathematics Qualification  
January 2008  
Intermediate Level



**CALCULATING FINANCES**  
**Unit 4**

**6984/2PM**

**PRELIMINARY MATERIAL**

**DATA SHEET**

**To be issued to candidates between Wednesday 16  
January 2008 and Wednesday 23 January 2008**

**REMINDER TO CANDIDATES**

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

<b>Personal credit</b>
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Landmark Loans and Fidelity Finance are two credit companies which offer personal loans. Their monthly repayment tables for loans of different amounts repayable over different lengths of time are shown below. Both state that their APR is 6.1% per annum.

If the loan is from Fidelity Finance, the borrower has a three-month 'payment holiday', whereby no repayment has to be made for the first three months.

### Landmark Loans

Loan amount	Loan term		
	60 months	36 months	12 months
£ 15 000	£ 303.03	£ 469.68	£ 1307.81
£ 10 000	£ 202.02	£ 313.11	£ 871.87
£ 7 500	£ 151.52	£ 234.84	£ 653.91
£ 6 000	£ 121.24	£ 187.86	£ 523.12
£ 5 000	£ 101.01	£ 156.57	£ 435.94
£ 4 000	£ 80.83	£ 125.26	£ 348.74
£ 3 000	£ 60.62	£ 93.93	£ 261.56

### Fidelity Finance

Loan amount	Loan term		
	63 months 60 repayments	39 months 36 repayments	15 months 12 repayments
£ 15 000	£ 307.64	£ 476.82	£ 1327.71
£ 10 000	£ 205.09	£ 317.88	£ 885.14
£ 7 500	£ 153.82	£ 238.41	£ 663.85
£ 6 000	£ 123.05	£ 190.73	£ 531.08
£ 5 000	£ 102.54	£ 158.94	£ 442.57
£ 4 000	£ 82.03	£ 127.15	£ 354.05
£ 3 000	£ 61.52	£ 95.36	£ 265.54

### Prices in 1973 and 2006

The table below shows the prices of a number of items in 1973 and in 2006.

Item	Price in 1973	Price in 2006
Butter (500 grams)	15p	85p
Cheddar cheese (1 kg)	14p	£ 2.99
Milk (1 pint)	6p	35p
Potatoes (2 kg)	4p	44p
House (average price in the UK)	£ 9 941	£ 157 250
Rent (average monthly rent)	£ 25	£ 500

### Overdrafts

Fees charged by four British banks when customers become overdrawn are shown below.

Table (showing interest rates for authorised and unauthorised overdrafts and penalty fees for bounced and paid items where the account has insufficient funds) is not reproduced here owing to third-party copyright constraints. A full copy of this paper can be ordered from AQA Publications. Tel. 0161 953 1170

Note: An item is bounced when the bank has refused payment for an item because of insufficient funds.

Data are correct as at October 2005.

The average penalty fees charged by a credit card company when you exceed your spending limit or pay your monthly account late are shown for October 2003 and January 2006.

Table showing credit card penalty fees is not reproduced here owing to third-party copyright constraints.

Turn over ►

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**Taxation 2007–2008****Value Added Tax (VAT)**

The standard rate is 17.5%.  
The rate for fuel is 5%.

**Income Tax 2007–08**

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 £ 2230 of your taxable income.

You pay income tax at 22% on the next £ 32 370 of your taxable income.

You pay income tax at 40% on your taxable income above £ 34 600.

**National Insurance 2007–08**

Rates of National Insurance are:

0% on income up to £ 100 per week or £ 433 per month;

11% (contracted out 9.4%) on income between £ 100 and £ 670 per week  
or between £ 433 and £ 2905 per month;

1% on income over £ 670 per week or over £ 2905 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 retirement pension.

**END OF DATA SHEET**

ACKNOWLEDGEMENT OF COPYRIGHT-HOLDERS AND PUBLISHERS

Prices in 1973 and 2006: Express Newspapers

Overdrafts: Moneyfacts, Defaqto and Daily Mail

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