



General Certificate of Secondary Education

**Business Subjects and
Economics 4130**

Unit 11 Personal Economics

Specimen Mark Scheme

The specimen assessment materials are provided to give centres a reasonable idea of the general shape and character of the planned question papers and mark schemes in advance of the first operational exams.

Further copies of this Mark Scheme are available to download from the AQA Website: www.aqa.org.uk

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1**Total for this question: 24 marks**

1	(a)	(i) What is meant by an 'overdraft'?	<i>(2 marks)</i>
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A facility offered by banks which allows you to take more out of your bank (current) account than your current balance.

One mark for basic idea (AO1) plus one mark for development (AO2).

1	(a)	(ii) Explain why Rebecca may not want to have an overdraft.	<i>(2 marks)</i>
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Rebecca may not wish to start university being in debt; she may not want to pay interest on the overdraft; she might prefer to wait until she has sufficient savings; moral/religious reasons not to be in debt.

One mark for a valid statement (AO 1) plus one mark for explanation/example (AO2).

1	(b)	Explain why Rebecca might not want to use all of her savings to finance the purchase of the car.	<i>(3 marks)</i>
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Examples could include: if she uses all her savings to buy the car she will have no money for unplanned expenditure or to purchase other goods or services. She would lose out on the interest.

Other valid examples acceptable.

Level	Descriptor	Marks	Assessment Objective
2	Explains why Rebecca may not want to use her savings.	2–3	AO2
1	States reason why Rebecca may not want to use her savings.	1	AO1
0	No valid response.	0	

1	(c)	Giving two reasons, explain why the price of small cars is rising.	<i>(5 marks)</i>
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Candidates may suggest factors affecting demand, eg increased demand for fuel efficient cars; increased incomes etc or factors affecting supply, eg increased costs, taxes (VAT); general inflation. Candidates may use demand and supply diagrams but candidates can be awarded full marks without showing them.

Level	Descriptor	Marks	Assessment Objective
2	Explains reason(s) using appropriate examples.	3–5	AO2
1	States reason(s)	1–2	AO1
0	No valid response.	0	

1 (d) Rebecca has to choose the best way of paying for her car. She could:

- use some or all of her building society savings
- use the overdraft from the bank
- borrow from the car finance company.

How do you think she should pay for the car? Explain your answer. (12 marks)

Any of the options could be recommended.

Likely points:

- savings – money is available but loss of interest if savings are used, also not available for other uses/emergencies;
- overdraft – easily accessible but interest has to be paid;
- finance co loan – Rebecca can spread payment over a three year period – but interest has to be paid (higher than an overdraft) and could lose the car if she can't keep up with payments.

Level	Descriptor	Marks	Assessment Objective
2	Applies knowledge of the different methods of payment to Rebecca's situation.	3–4	AO2
1	Basic understanding of the option(s) is/are demonstrated.	1–2	AO1
0	No valid response.	0	

In addition, (and separately) award marks for evaluation using the grid below.

Note: this question also assesses candidates' quality of written communication. When deciding on the level to be awarded for AO3, consider the degree to which the candidate orders and communicates his/her ideas.

Level	Descriptor	Marks	Assessment Objective
3	Candidate offers judgement with justification. Ideas are communicated with a clear structure and use of technical terms.	7–8	AO3 and Quality of Written Communication
2	Candidate offers judgement with some justification. Ideas are communicated using a logical structure, with some appropriate use of technical terms. There are occasional errors in accepted conventions of written communication.	4–6	
1	Candidate offers judgement with limited justification. Ideas are communicated with some structure evident with occasional use of technical terms. There are noticeable errors in accepted conventions of written communication.	1–3	
0	No valid response.	0	

2

Total for this question: 24 marks

2 (a) *NMC* pays Bob monthly.

State **two** items that might be deducted from Bob's gross pay. (2 marks)

Income tax (1) National Insurance (1) Pension contribution (1) Student loan repayment (1) Any other valid reason Max 2 marks (AO1).

2 (b) (i) Explain why the Government might be concerned about the closure of the factory. (5 marks)

Possible reasons:

- rising unemployment will mean the Government may have to pay for unemployment and other benefits. There will be less tax revenue from the workers and the company;
- unemployment may spread to businesses that supply the factory with parts, services etc;
- the local community may deteriorate leading to social problems;
- other valid reasons acceptable.

Level	Descriptor	Marks	Assessment Objective
2	Reason(s) explained with relevance to the scenario.	3–5	AO2
1	Reason(s) identified with no explanation or link to the scenario.	1–2	AO1
0	No valid response.	0	

2 (b) (ii) Explain **two** actions the Government could take to reduce unemployment in the area where Bob currently lives. (5 marks)

Possible actions:

- help the unemployed find new jobs through Job Centre Plus etc;
- retraining schemes to equip the unemployed with the skills needed in the area;
- help the unemployed set up their own businesses with grants, rent free premises etc;
- attract new businesses into the area by giving subsidies, rent free premises etc;
- any other valid actions.

Level	Descriptor	Marks	Assessment Objective
2	Reason(s) explained with relevance to the scenario.	3–5	AO2
1	Action(s) identified with no explanation or link to the scenario.	1–2	AO1
0	No valid response.	0	

2 (c) Should Bob take the job and move his family South? Explain your answer.

(12 marks)

Yes: arguments for moving South:

- good job prospects for Bob and Claire;
- if they stayed Bob faced unemployment and the difficulty of finding work as well as a reduced family income and a lower standard of living;
- Bob would earn a higher salary in the South.

No: arguments against moving South:

- higher costs of living in the South so standard of living might be lower;
- might have to live in a smaller house;
- education disruption for Darren;
- loss of friends and local community.

Level	Descriptor	Marks	Assessment Objective
2	Applies relevant knowledge to arguments for or against.	3–4	AO2
1	States argument for or against.	1–2	AO1
0	No valid response.	0	

In addition, (and separately) award marks for evaluation using the grid below.

Note: This question also assesses candidates' quality of written communication. When deciding on the level to be awarded for AO3, consider the degree to which the candidate orders and communicates his/her ideas.

Level	Descriptor	Marks	Assessment Objective
3	Candidate offers judgement with justification. Ideas are communicated with a clear structure and use of technical terms.	7–8	AO3 and Quality of Written Communication
2	Candidate offers judgement with some justification. Ideas are communicated using a logical structure, with some appropriate use of technical terms. There are occasional errors in accepted conventions of written communication.	4–6	
1	Candidate offers judgement with limited justification. Ideas are communicated with some structure evident with occasional use of technical terms. There are noticeable errors in accepted conventions of written communication.	1–3	
0	No valid response.	0	

3**Total for this question: 22 marks**

- 3 (a)** Giving **two** reasons, explain why a supermarket chain might import fruit and vegetables from Spain. (5 marks)

Possible reasons include:

- lower prices compared to UK produce;
- better quality produce;
- greater choice or variety;
- some fruit may not be available in the UK, eg peaches, nectarines etc;
- any other valid reason.

Level	Descriptor	Marks	Assessment Objective
2	Explains possible reason(s) appropriate to the scenario.	3–5	AO2
1	States possible reason(s).	1–2	AO1
0	No valid response.	0	

- 3 (b)** Giving **two** reasons, explain why *Whippets* is considering employing foreign workers. (5 marks)

Possible reasons:

- Whippets can pay lower wages and so reduce their costs;
- the workers may be willing to work harder/longer hours;
- Whippets may not need to pay other rewards, eg pensions etc;
- Whippets could become more competitive;
- any other valid point.

Level	Descriptor	Marks	Assessment Objective
2	Explains possible reason(s) appropriate to the scenario.	3–5	AO2
1	States possible reason(s).	1–2	AO1
0	No valid response.	0	

3 (c) Discuss the advantages and disadvantages for the economy if UK businesses employ increasing numbers of workers from abroad. *(12 marks)*

Advantages could include:

- bring new skills into the economy enabling economic growth;
- helps to solve labour shortages and keeps wages down or leads to lower wages;
- helps firms to meet recruitment targets and not consider relocation;
- brings extra spending into the economy;
- increased taxation revenue.

Disadvantages could include:

- may lead to lower wages in some regions causing disharmony and racial tension;
- may take jobs away from local workers;
- may discourage training of local labour force if trained workers are available from abroad;
- consequences of foreign workers who decide to go home?
- Most incomes of foreign workers may be sent home rather than spent in the UK;
- Pressure on housing, local services etc.

Level	Descriptor	Marks	Assessment Objective
2	Explains advantage(s) and/or disadvantage(s) in relation to the scenario.	3–4	AO2
1	States advantage(s) and/or disadvantage(s).	1–2	
0	No valid response.	0	

In addition, (and separately) award marks for evaluation using the grid below.

Note: This question also assesses candidates' quality of written communication. When deciding on the level to be awarded, consider the degree to which the candidate orders and communicates his/her ideas.

Level	Descriptor	Marks	Assessment Objective
3	Candidate offers judgement with justification. Ideas are communicated with a clear structure and use of technical terms.	7–8	AO3 and Quality of Written Communication
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0	No valid response.	0	

Assessment Grid

Question	A01	A02	A03	Total
1 (a) (i)	1	1		2
1 (a) (ii)	1	1		2
1 (b)	1	2		3
1 (c)	2	3		5
1 (d)	2	2	8	12
2 (a)	2			2
2 (b) (i)	2	3		5
2 (b) (ii)	2	3		5
2 (c)	2	2	8	12
3 (a)	2	3		5
3 (b)	2	3		5
3 (c)	2	2	8	12
Total	21	25	24	70
Weight (%)	30	35	35	100