Centre No.				Paper Reference			Surname	Initial(s)			
Candidate No.			4	3	4	0	/	0	3	Signature	

Paner Reference(s)

4340/03

London Examinations IGCSE

Examiner's use only						
Team L	eader's u	se only				

1

2

3

4

Commerce

Paper 3

Common to both tiers

Thursday 13 May 2010 – Afternoon

Time: 1 hour, plus reading time of 10 minutes

Materials required for examination	Items included with question papers
Nil	Nil

Instructions to Candidates

In the boxes above, write your centre number, candidate number, your surname, initial(s) and signature.

Check that you have the correct question paper.

Answer ALL the questions. Write your answers in the spaces provided in this question paper.

Information for Candidates

The marks for individual questions and the parts of questions are shown in round brackets: e.g. (2). There are 4 questions in this question paper. The total mark for this paper is 40. There are 12 pages in this question paper. Any blank pages are indicated.

Advice to Candidates

You are reminded of the importance of clear English and careful presentation in your answers.

This publication may be reproduced only in accordance with Edexcel Limited copyright policy.
©2010 Edexcel Limited.

N36869A w850/u4340/57570 1/1/1/1/1/1/ N 3 6 8 6 9 A 0 1 1 2

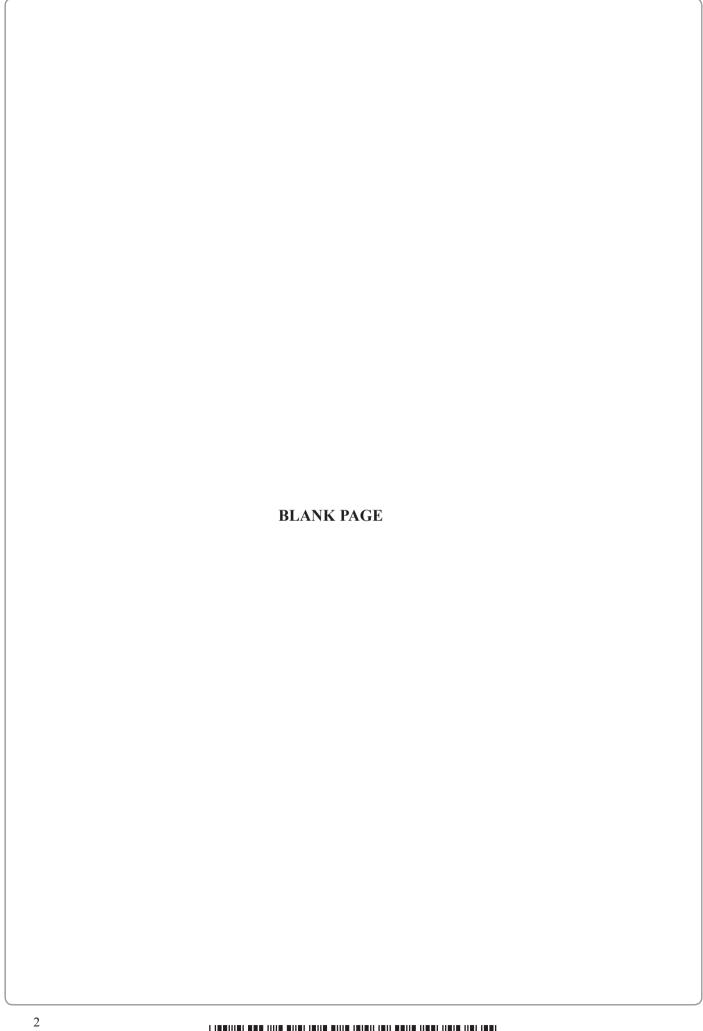
Turn over

Total



36869A_paper_IGCSE_Commerce_Pape1 1

10/02/2010 12:38:07



Leave blank

Answer ALL questions

You work as an independent financial consultant, giving advice to clients and receiving commissions from the organisations to which you give business. There is a portfolio of different investment schemes which you advise about. Amongst the criteria to be considered by your clients are:

- Risk
- Minimum deposit
- Time periods
- Investment return
- Tax position
- Capital gain.

Mr West has received a windfall of £500000. He seeks your advice on the best investment.

Sources of information

At the end of this question paper, there are various sources of information on savings, house and farmland prices, the money market and the FT Share Index.

You should study all of them and use the information, together with your own knowledge and understanding of Commerce, to prepare a report advising Mr West.

The report has been divided into a series of tasks on the following pages. You should use commercial ideas and terms which you have learnt during the course, not just the information in the sources.

My task is to advise Mr West about:	

Q1

(Total 2 marks)



3

Turn over

(i)	interest
(-)	
	(2)
(ii)	commission
(11)	Commission
	(2)
	(2)
ould re	t is considering investing £200 000 in a savings account for one year on which he eceive 6% interest. On the interest he would pay 40% income tax. culate the net income from the investment at the end of the year.
ould re	t is considering investing £200 000 in a savings account for one year on which he eceive 6% interest. On the interest he would pay 40% income tax.
ould re	t is considering investing £200 000 in a savings account for one year on which he eceive 6% interest. On the interest he would pay 40% income tax.
ould re	t is considering investing £200 000 in a savings account for one year on which he eceive 6% interest. On the interest he would pay 40% income tax.
ould re	t is considering investing £200 000 in a savings account for one year on which he eceive 6% interest. On the interest he would pay 40% income tax.
ould re	t is considering investing £200 000 in a savings account for one year on which he eceive 6% interest. On the interest he would pay 40% income tax.
ould re	t is considering investing £200 000 in a savings account for one year on which he eceive 6% interest. On the interest he would pay 40% income tax.
ould re	t is considering investing £200 000 in a savings account for one year on which he eceive 6% interest. On the interest he would pay 40% income tax.
ould re	t is considering investing £200 000 in a savings account for one year on which he eceive 6% interest. On the interest he would pay 40% income tax.
ould re	t is considering investing £200 000 in a savings account for one year on which he eceive 6% interest. On the interest he would pay 40% income tax.
ould re	t is considering investing £200 000 in a savings account for one year on which he eceive 6% interest. On the interest he would pay 40% income tax.
ould re	t is considering investing £200 000 in a savings account for one year on which he eceive 6% interest. On the interest he would pay 40% income tax. culate the net income from the investment at the end of the year.
ould re	t is considering investing £200 000 in a savings account for one year on which he eceive 6% interest. On the interest he would pay 40% income tax. culate the net income from the investment at the end of the year.
ould re	t is considering investing £200 000 in a savings account for one year on which he eceive 6% interest. On the interest he would pay 40% income tax. culate the net income from the investment at the end of the year.

	e advantage of buying shares is the chance of capital gain.
c)	Explain what this means, using an example from Source D to illustrate your answer.
	(4)
	(Total 12 marks)



5 **Turn over**

Leave blank Apart from shares, select three possible investments. In each case discuss the advantages and disadvantages for Mr West. Investment one: Investment two:

Investigation and 41				
investment thre	e:	 		
••••••		 •••••		•••••
		 		•••••
			(Total 10	maulra)
			(Total 18	<u>шагку) </u>
			(10tai 16	<u>шагкя) </u>
			(10tai 16	шагкѕу
			(10tai 16	шагкѕу
			(10tai 16	шагкѕу
			(10tai 16	шагкѕу
			(10tai 16	шагкѕу
			(10tai 16	шагкѕ
			(10tai 16	шагкѕу
			(10tai 16	шагкѕу
			(10tai 16	шагкѕу
			(10tai 16	шагкѕу
			(10tai 16	marks)
			(10tai 16	marks)
			(10tai 16	шагкз)
			(10tai 16	шагку)



Turn over

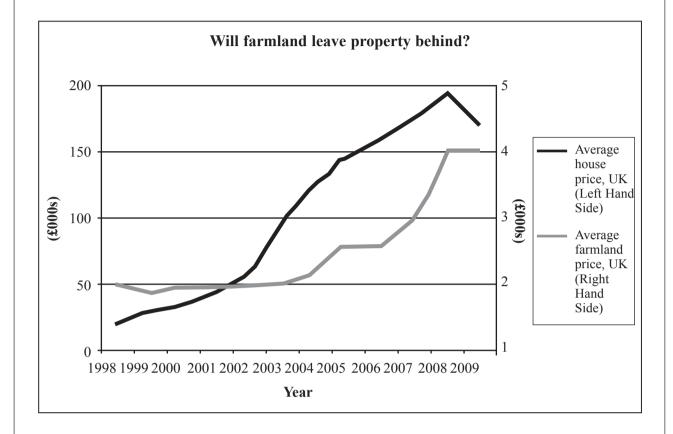
7

T	OTAL FOR PAPE	Total 8 marks) R: 40 MARKS
END		

Leave blank

Sources of Information

Source A – UK Houses and Farmland Prices



Source B – Savings Accounts

BEST SAVINGS ACCOUNTS

EASY ACCESS					
Institution	Rate	Min. deposit			
West Bromwich Building Society	3.38%	£100			
Scarborough Investments Direct	2.76%	£1 000			
Abbey	2.50%	£1 000			

INTERNET ONLY					
Institution	Rate	Min. deposit			
Scottish Widows	3.01%	£1 000			
Barnsley Building Society	3.00%	£1			
Principality Building Society	2.85%	£1			

FIXED RATE					
Institution	Rate	Term			
Skipton Building Society	5.38%	30.11.14			
Principality Building Society	5.10%	4 years			
ICICI Bank	4.25%	2 years			

OVER 50s				
Institution	Rate	Min. deposit		
Saga	4.25%	£1		
Stroud & Swindon	3.20%	£1 000		
West Bromwich Building Society	2.84%	£5 000		

Source: adapted from 'The Best Savings Accounts', Sunday Times, 22nd November 2009.

Leave blank

Source C – The London Money Market

Investors can make fixed term deposits or deposits for instant access. The minimum amount for a 7 day period is £250 000, but smaller sums can be invested for longer periods of time. The interest is received at the end of the time period specified. Interest given on fixed term deposits is higher than on instant access deposits.

The rate of interest given changes when the Bank of England's central lending rate alters. The rate of return given today (17 November 2009) is **1.0%**.

Source D – London Stock Exchange share prices

Name	Price (p)	Change on week	Highest in last year	Lowest in last year
Anglo American	2549	+ 163	2553	906
BSkyB	541	- 5.5	593	345
HSBC	741.5	+ 58.25	746	270
Rio Tinto	3133	+ 216	3199	822
Vodafone	137	+ 1.25	148	111



