



Free-Standing Mathematics Qualification  
Higher Level  
June 2014

## Financial Calculations

**4984/PM**

Unit 4

## Preliminary Material

## Data Sheet

To be opened and issued to candidates between  
Thursday 1 May 2014 and Thursday 15 May 2014

### REMINDER TO CANDIDATES

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

**Shoes 4 U**

The advertisement shown below is displayed by a high street shop.

<p style="text-align: center;"><b>All Men's shoes</b></p> <p style="text-align: center;"><b><math>\frac{1}{3}</math> off</b></p> 	<p style="text-align: center;"><b>Special offers on packs of socks</b></p> <p style="text-align: center;">Eg: Packs of 7 pairs of socks</p> <p style="text-align: center;"><b>Were £12 Now £5</b></p>
<p style="text-align: center;"><b>Ladies' boots</b></p> <p style="text-align: center;"><b>25% off</b></p>	<p style="text-align: center;"><b>All Sandals</b></p> <p style="text-align: center;"><b>NOW 20% off</b></p>

All employees at 'Shoes 4 U' are given a 16% discount.

**Bank accounts**

The Central Cornerstone Bank has a number of different savings accounts.

<b>Account name</b>	<b>Rate of interest</b>
Eighteen Carat Account	3.22% paid annually
Nine Carat Account	1.59% paid every 6 months
Benchmark Account	0.78% paid every 3 months
Instant Access	0.1% paid annually

Interest earned is rounded to the nearest penny.

### Price comparison

Some people travel to the USA to buy Christmas presents because prices of many items are much cheaper in the USA than in the UK.

The table below shows comparative prices for some items on sale in London, New York and Boston. Prices in Boston are usually less than in New York because sales tax in Boston is lower than in New York, and Boston does not add sales tax on any item of clothing which costs less than \$175 (about £110). Since Boston is closer to the UK than New York, it is usual for the price of a flight to Boston to be less than the price of a flight to New York.

Travellers are allowed to bring items to the total cost of £390 into the UK without being charged any import duty or VAT.

Item	Price in		
	London	New York	Boston
Apple iPod Nano	£115.00	£89.91	£87.74
Elizabeth Arden '8 hour cream'	£25.00	£11.85	£11.56
Women's 'Roxanne' skinny jeans	£160.00	£110.82	£101.79
Sesame Street Let's Rock Elmo	£85.00	£48.78	£40.13

The prices were correct in November 2011.

### Firm Foundation Credit Services

The table below shows the monthly repayments, in pounds, for loans of different amounts and over different repayment periods.

Loan amount	Repayment period			
	12 months	24 months	36 months	48 months
£2500	£230.79	£126.72	£91.97	£76.29
£3000	£276.86	£152.08	£110.32	£89.88
£3250	£299.90	£164.74	£119.48	£96.69
£3500	£322.93	£177.39	£128.67	£103.51
£4000	£369.02	£202.71	£147.01	£119.82

Turn over

Turn over ►

**Taxation 2013–2014****Value Added Tax (VAT)**

The standard rate is 20%.

The rate for fuel is 5%.

**Income Tax 2013–14**

How your tax is calculated.

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

You pay income tax at 20% on the first £32 245 of your taxable income.

You pay income tax at 40% on your taxable income above £32 245 but below £150 000.

**National Insurance 2013–14**

Rates of National Insurance are:

0% on income up to £146 per week or £633 per month.

12% (contracted out 10.6%) on income between £146 and £817 per week  
or between £633 and £3540 per month.

2% on income over £817 per week or over £3540 per month.

If an employee has entered a final salary 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**

ACKNOWLEDGEMENT OF COPYRIGHT-HOLDERS AND PUBLISHERS

Shoes 4 U: © Getty Images

Price comparison: 'Fly to the U.S. and save hundreds on Christmas list of leading brands' by Sean Poulter, *Daily Mail*, 17 November 2011.

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