

# Mark Scheme (Results)

## January 2010

Principal Learning

Business, Administration and Finance  
BA203 Personal Finance and Financial  
Services

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## General marking guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

Question Number	Answer	Mark
1	B	(1)

Question Number	Answer	Mark
2	D	(1)

Question Number	Answer	Mark
3	B	(1)

Question Number	Answer	Mark
4	C	(1)

Question Number	Answer	Mark
5	A	(1)

Question Number	Answer	Mark
6	A	(1)

Question Number	Answer	Mark
7	B	(1)

Question Number	Answer	Mark
8	Bank loan - Jenny Overdraft - Kenzo Savings account - Dani	(3)

Question Number	Answer	Mark																																							
9 (a)(i)	<p>Unshaded cells = 1 mark each</p> <table border="1"> <thead> <tr> <th rowspan="2">Item</th> <th colspan="2">Income</th> <th colspan="2">Expenditure</th> </tr> <tr> <th>£</th> <th>p</th> <th>£</th> <th>p</th> </tr> </thead> <tbody> <tr> <td>Return flight</td> <td></td> <td></td> <td>833</td> <td>30</td> </tr> <tr> <td>Accommodation at Kangaroo Island</td> <td></td> <td></td> <td>126</td> <td>60</td> </tr> <tr> <td>Accommodation at Wollongon</td> <td></td> <td></td> <td>120</td> <td>82</td> </tr> <tr> <td>Spending money</td> <td></td> <td></td> <td>1000</td> <td>00</td> </tr> <tr> <td>Gift from parents</td> <td>300</td> <td>00</td> <td></td> <td></td> </tr> <tr> <td><b>Total</b></td> <td><b>300</b></td> <td><b>00</b></td> <td><b>2080</b></td> <td><b>72</b></td> </tr> </tbody> </table> <p>Own Figure Rule applies to Expenditure Total only.</p>	Item	Income		Expenditure		£	p	£	p	Return flight			833	30	Accommodation at Kangaroo Island			126	60	Accommodation at Wollongon			120	82	Spending money			1000	00	Gift from parents	300	00			<b>Total</b>	<b>300</b>	<b>00</b>	<b>2080</b>	<b>72</b>	(5)
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Question Number	Answer	Mark
9 (a)(ii)	<p>£1780.72 Own Figure Rule (does not apply where no Total Income is shown).</p>	(1)

Question Number	Answer	Mark
9 (b)(i)	<ul style="list-style-type: none"> <li>Marks and Spencer 2094.00 Australian Dollars (AUD) (1)</li> <li>Lloyds TSB 2099 AUD (1) less 41.98 AUD (1) commission = 2057.02 AUD (1)</li> </ul>	(4)

Question Number	Answer	Mark
9 (b)(ii)	<p>Marks and Spencer Own Figure Rule applies. Calculations must be completed in 9(b)(i).</p>	(1)

Question Number	Answer	Mark
10	<ul style="list-style-type: none"><li>• Internet Loan - lowest interest rate (1), lowest overall total repaid (1), joint shortest pay back period (1), smallest monthly payment of two 12 month pay back (1), may not be able to afford the level of monthly payment (1).</li><li>• Bank Loan 2 - lowest monthly repayment (1), can spread it over 24 months (1), but may not want to pay over such a long period (1), second highest total repayment (1), interest rate higher than Internet Loan, but lower than Bank Loan 1 (1), more trusted than the internet (1)</li></ul>	(5)

Question Number	Answer	Mark
11(a)	<p>1 mark for each correct calculation on Dylan's pay slip</p> <p>Basic Pay £104.00 (1) Overtime £78.00 (1) Gross pay £182.00 (1) Net Pay £157.77 - 1 mark for each correct deduction (2)</p> <p>Own Figure Rule applies to Gross and Net Pay.</p>	(5)

Question Number	Answer	Mark
11(b)(i)	Instant access (1) easy to get money using either chequebook or debit card (1), Set up direct debits (1), Set up standing orders (1), Arrange overdraft (1)	(2)

Question Number	Answer	Mark
11(b)(ii)	Pays interest (1) savings grow quicker than in a current account (1)	(2)

Question Number	Answer	Mark
11(c)	Interest rates can go up or down (1) meaning you can earn less money (1) if the interest rate falls below that of a fixed rate account (1). Interest rates can rise increasing the reward (1). Involves greater risk (1). The fixed rate gives a guaranteed reward (1) enabling planning for the future (1). Means less risky (1), No guaranteed reward (1), Government secures savings under 50k (1)	(5)

Question Number	Answer	Mark
12 (a)	<ul style="list-style-type: none"> <li>• Up to 6 weeks to pay (1)</li> <li>• Can cancel if stolen (1)</li> <li>• Can cancel payment if something goes wrong (1)</li> <li>• Can spread payments over a number of months (1)</li> <li>• Flexible payments (1)</li> <li>• Keep your cash or savings intact (1)</li> <li>• No need to defer purchases (1)</li> <li>• Some credit cards give 0% for set time period (1)</li> <li>• Supports your credit rating (1)</li> <li>• Offers more security than paying cash (1)</li> </ul>	(4)

Question Number	Answer	Mark
12 (b)	<p>Bank Manager - has expert knowledge (1), gives free advice (1), can resolve issue by offering loan to consolidate debt (1), will only offer tied products (1)</p> <p>Debt Counsellor - specialist knowledge of debt management (1), have to pay for the service (1), can arrange a consolidated loan/IVA (1), can offer a wide range of solutions/options (1), May be linked to certain products and/or finance companies (1)</p> <p>Citizen's Advice Bureau - free advice (1), lengthy waiting list for appointment (1), may not have specialist knowledge (1), can't offer products for resolution (1), able to suggest a wide range of products (1), non biased (1), Detailed essential budgeting advice (1)</p>	(6)









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