

Mark Scheme (Results) Summer 2010

Principal Learning

Business, Administration and Finance
BA103 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, ie 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	D	(1)

Question Number	Answer	Mark
2	B	(1)

Question Number	Answer	Mark
3	A	(1)

Question Number	Answer	Mark
4	C	(1)

Question Number	Answer	Mark
5	<p>Any two of:</p> <ul style="list-style-type: none"> • Unbiased advice (1) on different products from different organisations (1) • Because they are not tied (1) they can give advice on the whole of the market (1) • Specialist advice (1) IFA is qualified (1) • Convenience (1) they will visit in your home (1) • Special deals (1) can offer deals banks cannot (1) <p style="text-align: right;">(2 x 2)</p>	(4)

Question Number	Answer	Mark
6(a)	<ul style="list-style-type: none"> • Confirms identity (1) Prevent money laundering (1) • Confirms identity (1) prevents opportunity of fraudulent activity (1) • Confirms identity (1) enables credit checking (1) <p>Any 1 reason developed for 2 marks Any 2 reasons not developed for 1 mark each</p>	(2)

Question Number	Answer	Mark
6(b)	<ul style="list-style-type: none"> • PIN • Bank card/debit card/cash card/credit card 	(2)

Question Number	Answer	Mark
7(a)	<ul style="list-style-type: none"> • A measurement of your payment history (1) and how you pay your debts (1). • A credit score is the measurement of the likelihood (1) that you will repay your debts (1). 	(2)

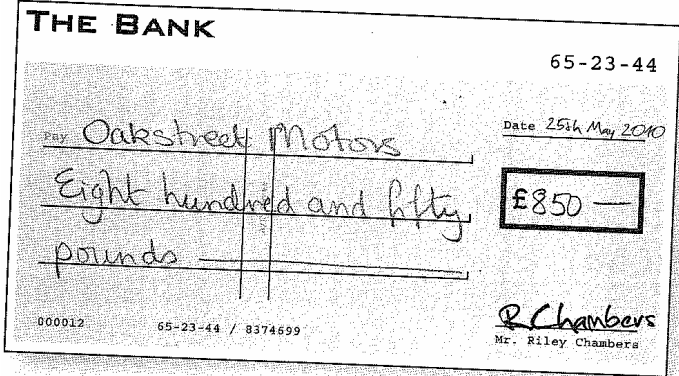
Question Number	Answer	Mark
7(b)	<p>Any 2 of the following:</p> <ul style="list-style-type: none"> • Allows access to forms of borrowing (1) e.g. loans & overdrafts from banks, credit cards/store cards, hire purchase (1). • Cheaper borrowing (1) lower interest charges due to lower risk of default (1). • Avoids refusal of credit (1) enables access to a wider range of goods and services (1). • Enables future borrowing for major purchases (1) e.g. mortgages (1) • Avoids necessity of accessing riskier forms of borrowing (1) e.g. loan sharks (1) 	(4)

Question Number	Answer	Mark
8(a)	£66.00	(1)

Question Number	Answer	Mark																																	
8(b)	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right;">£</th> <th></th> </tr> </thead> <tbody> <tr> <td>Opening Balance</td> <td style="text-align: right;">8.65</td> <td></td> </tr> <tr> <td>Income</td> <td></td> <td></td> </tr> <tr> <td>Job</td> <td style="text-align: right;">66.00</td> <td>(1)</td> </tr> <tr> <td>Pocket Money</td> <td style="text-align: right;">7.00</td> <td>(1)</td> </tr> <tr> <td>Expenditure</td> <td></td> <td></td> </tr> <tr> <td>Cinema Ticket</td> <td style="text-align: right;">12.40</td> <td>(1)</td> </tr> <tr> <td>DVDs</td> <td style="text-align: right;">14.00</td> <td>(1)</td> </tr> <tr> <td>Travelcard</td> <td style="text-align: right;">12.50</td> <td>(1)</td> </tr> <tr> <td>Closing Balance</td> <td style="text-align: right;">42.75</td> <td>(1)</td> </tr> <tr> <td>Own Figure Rule</td> <td></td> <td></td> </tr> </tbody> </table>		£		Opening Balance	8.65		Income			Job	66.00	(1)	Pocket Money	7.00	(1)	Expenditure			Cinema Ticket	12.40	(1)	DVDs	14.00	(1)	Travelcard	12.50	(1)	Closing Balance	42.75	(1)	Own Figure Rule			(6)
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Question Number	Answer	Mark
9(a)	<p>Accept either of the following with justification.</p> <ul style="list-style-type: none"> • Gold Plus - highest interest rate (4.5%) (1). Allows savings to grow more quickly (1). However, requires longest notice of 90 days (1). Not a problem as planned purchase (1). • Online Saver - highest interest rate of the instant access accounts (1) which allows purchase at short notice (1). However lower interest rate than Gold Plus (1) so savings will not grow as quickly (1). 	(4)

Question Number	Answer	Mark
9(b)	<p>Any 2 from:</p> <ul style="list-style-type: none"> • Cash/debit card • Cheque book • Free items • Regular statements • Paying in book 	(2)

Question Number	Answer	Mark
9(c)	 <p>1 mark each for:</p> <ul style="list-style-type: none"> • name of company - Oakstreet Motors • amount in numbers - £850 • amount in words - Eight hundred and fifty pounds 	(3)

Question Number	Answer	Mark
9(d)(i)	Any 2 from: <ul style="list-style-type: none">• interest charged on credit card• credit card is a form of borrowing• debit card withdraws money from own account• need to be 18 to have a credit card• credit card allows up to 6 weeks interest and payment free period• debit card is instant payment	(2)

Question Number	Answer	Mark
9(d)(ii)	benefits <ul style="list-style-type: none">• can spread payments• interest free period• offers purchase insurance if lost/stolen disadvantages <ul style="list-style-type: none">• high interest rates• getting into debt• bad habits	(4)

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