

Write your name here	
Surname	Other names
Edexcel	Centre Number
Principal Learning	Candidate Number
Business, Administration and Finance Level 1 Unit 3: Personal Finance	
Wednesday 26 May 2010 – Morning Time: 1 hour	Paper Reference BA103/01
You may use a calculator.	Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer **all** questions.
- Answer the questions in the spaces provided
– *there may be more space than you need.*

Information

- The total mark for this paper is 40.
- The marks for **each** question are shown in brackets
– *use this as a guide as to how much time to spend on each question.*

Advice

- Read each question carefully before you start to answer it.
- Keep an eye on the time.
- Try to answer every question.
- Check your answers if you have time at the end.

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Turn over ►

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Some questions must be answered with a cross in a box ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

1 At what age would you be collecting your state pension?

A	Teenage years (13–19)	<input type="checkbox"/>
B	Twenties to thirties (20–39)	<input type="checkbox"/>
C	Forties to fifties (40–59)	<input type="checkbox"/>
D	Sixty plus (60 +)	<input type="checkbox"/>

(Total for Question 1 = 1 mark)

2 One feature of money is that it is 'durable'.

What does this mean?

A	It is accepted by people and shops	<input type="checkbox"/>
B	It is hard wearing so it lasts	<input type="checkbox"/>
C	It is easily recognised by everyone	<input type="checkbox"/>
D	It is available in different amounts	<input type="checkbox"/>

(Total for Question 2 = 1 mark)

3 Which one of the following financial products would you normally use to buy a house?

A	Mortgage	<input type="checkbox"/>
B	Credit card	<input type="checkbox"/>
C	Bank overdraft	<input type="checkbox"/>
D	Bank loan	<input type="checkbox"/>

(Total for Question 3 = 1 mark)

4 Which one of the following is the most convenient method of payment for a mobile phone contract where the monthly bill varies?

A	Cheque	<input type="checkbox"/>
B	Cash	<input type="checkbox"/>
C	Direct debit	<input type="checkbox"/>
D	Standing order	<input type="checkbox"/>

(Total for Question 4 = 1 mark)



5 Tariq has received an inheritance of £500. He would like advice on the best savings account to open. He decides to visit an independent financial adviser.

Explain **two** advantages of using an independent financial adviser.

1

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2

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(Total for Question 5 = 4 marks)

6 When opening a bank account you need at least two forms of identification. These could include a passport, driving licence or utility bill.

(a) Explain why you need proof of identity when opening a bank account.

(2)

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(b) Identify the **two** items you need to withdraw money from an ATM.

(2)

1

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2

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(Total for Question 6 = 4 marks)



7 (a) Define the term **credit rating**.

(2)

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(b) Explain **two** reasons why it is important to maintain a good credit rating.

(4)

1

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2

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(Total for Question 7 = 6 marks)



8 Riley is 17 and has started a part-time job. He works 6 hours on a Saturday and 6 hours on a Sunday. He is paid £5.50 an hour.

(a) How much does he earn a week?

(1)

(b) Riley decides to keep a weekly budget. At the start of the week Riley has £8.65

Using the information below, and your answer to 8(a), complete Riley's budget.

Cinema tickets: £12.40
 Pocket money: £7.00
 DVDs: £14.00
 Weekly travelcard: £12.50

(6)

	£	p
Opening Balance	8	65
Income:		
Expenditure:		
Closing Balance		

(Total for Question 8 = 7 marks)



9 Riley wants to save up to buy a car. He has found the following information.

Savings Account	Interest Rate Offered	Notice of withdrawal required
Gold Plus	4.5%	90 days
Online Saver	2.5%	Instant
Instant Access	2%	Instant
Reward Saver	4%	90 days

(a) Using the above information, justify which savings account Riley should open.

(4)

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(b) In addition to interest rates and notice of withdrawal, banks and building societies offer a range of supporting products to attract customers.

Identify **two** supporting products that might influence Riley's choice of account.

(2)

1

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2

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(c) Riley decides to pay for his car by cheque. He is buying the car from Oakstreet Motors at a price of £850.

Complete the cheque below.

(3)

THE BANK		65-23-44
Pay		Date <i>25th May 2010</i>
		£
A/c Payee		
		<i>R. Chambers</i> Mr. Riley Chambers
000012	65-23-44 / 8374699	

(d) Riley has received information about credit cards. He is confused about the difference between credit cards and debit cards.

(i) State **two** differences between credit and debit cards.

(2)

1

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2

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(ii) Riley could use a credit card to purchase expensive items.
Justify whether Riley should use a credit card for such purchases.

(4)

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(Total for Question 9 = 15 marks)

TOTAL FOR PAPER = 40 MARKS

