

Write your name here

Surname

Other names

**Edexcel
Principal Learning**

Centre Number

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Candidate Number

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Business, Administration and Finance

Level 1

Unit 3: Personal Finance

Friday 25 May 2012 – 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.

Turn over ►

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PEARSON

Answer ALL questions.

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 Which type of account has an overdraft facility?

A	Savings account	<input type="checkbox"/>
B	Current account	<input type="checkbox"/>
C	Cheque account	<input type="checkbox"/>
D	Credit account	<input type="checkbox"/>

(Total for Question 1 = 1 mark)

2 Which **one** of the following cannot be used to open bank accounts?

A	Passport	<input type="checkbox"/>
B	Driving licence	<input type="checkbox"/>
C	Utility bill	<input type="checkbox"/>
D	Library card	<input type="checkbox"/>

(Total for Question 2 = 1 mark)

3 Which **one** of the following is a type of money?

A	Cheque	<input type="checkbox"/>
B	Rail card	<input type="checkbox"/>
C	Season ticket	<input type="checkbox"/>
D	Loyalty card	<input type="checkbox"/>

(Total for Question 3 = 1 mark)

4 Which **one** of the following would be able to give the widest source of advice?

A	Bank	<input type="checkbox"/>
B	Building society	<input type="checkbox"/>
C	Independent financial adviser	<input type="checkbox"/>
D	Department of Work and Pensions	<input type="checkbox"/>

(Total for Question 4 = 1 mark)



5 Aruni has opened an online bank account.

(a) Give **one** advantage of banking online.

(1)

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(b) Aruni is worried about security.

Outline **one** way she can protect herself when banking online.

(2)

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(Total for Question 5 = 3 marks)

6 Aruni has recently run into financial difficulties and is having trouble paying off her debts.

Explain why is it important that Aruni manages her finances.

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(Total for Question 6 = 4 marks)



7 Ellis has inherited £1 000. She is looking at different ways of using this money. Ellis is deciding whether to save or invest the money, and she asks you for advice.

(a) State **two** reasons why should Ellis save her money.

(2)

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(b) Explain what Ellis should consider before investing her money.

(4)

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(Total for Question 7 = 6 marks)



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8 Ellis is buying her first home. She has carried out some research and discovered that money may be tight. She has asked you for some help to produce her monthly budget.

Mortgage	£670
Clothing	£150
Food	£160
Salary	£1 000
Overtime	£100
Utility bills	£140

(a) Complete Ellis's budget.

(8)

Income	£
Expenditure	
Balance	

(b) Does Ellis have a budget surplus **or** deficit?

(1)



(c) Suggest **one** way that Ellis can improve her budget.

(2)

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(Total for Question 8 = 11 marks)



9 Ellis has just received a bank statement and is unsure about some of the terms.

Date	Payment type and details	Debit	Credit	Balance
1 May	OPENING BALANCE BROUGHT FORWARD			£150.00
14 May	Cash counter payment		£100.00	£250.00
29 May	Electricity bill DD	£45.00		£205.00
30 May	JTS Ltd BACS		£1 000.00	£1 205.00
30 May	Credit card bill	£250.00		£955.00

(a) (i) Outline what is meant by the term **DD**.

(2)

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(ii) Outline what is meant by the term **BACS**.

(2)

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(b) Ellis has a debit card but has been offered a credit card.

Explain the difference between a debit and a credit card.

(4)

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(c) Ellis is planning to install a new kitchen and needs to borrow some money. She is considering taking out a loan.

Describe the features of a loan.

(4)

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(Total for Question 9 = 12 marks)

TOTAL FOR PAPER = 40 MARKS





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