



Examiners' Report/ Principal Examiner Feedback

Summer 2012

PL Business, Admin and Finance
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Candidates did very well with the short answer questions and in completing the personal budget. Where they did struggle to achieve higher marks was in those questions that require analytical skills and based on their calculations. This was particularly noticeable where they had to recommend loan options based on analysis of three different loan products.

Learners found some difficulty in understanding ethical banking practices. Those that did understand the principals of ethics had no problem in finding two practices but other candidates mixed up ethics with obtaining loans from different banks.

Candidates generally did well in demonstrating the differences between a current and a savings account. Their answers were narrower when describing the advantages of having a credit card.

It was rewarding to see that nearly all candidates could work out exchange rate transactions and understand the general principles of what happens when rates change. This is a big improvement on previous examination sessions.

Conclusion

The exam series indicates that candidates continue to develop a good understanding of personal finance and financial services. The higher mark questions still offer a challenge and candidates struggle with analysis and evaluative techniques. Candidates need to still spend time on absorbing the full requirements of the questions asked.

Responses to questions

Q8 (a) (b) (c) – three responses were required. All candidates understood information about the Citizens Advice Bureau and the workings of a debt counsellor. Candidates were less secure on what the Department for Work and Pensions carried out.

Q9 (a) (i) (ii) – This was well carried out with the majority of candidates able to enter the missing information and carry out the difference between income and expenditure. In a few cases, totals were missed off the budget.

Q9 (b) (i) (ii) – Although there was two possible answers to this question (Amigon and Shires) candidates could gain marks for justifying their response across all three possibilities. Candidates did less well in explaining why their choice was the best option and for this reason their marks were in the lower category.

Q10 – A few candidates managed to gain the full six marks for this question. This required a firm understanding of ethical banking practices. The majority of the candidates failed to fully read the question and based their answers on straightforward loans and overdrafts. They needed to

stress the need for transparency in business dealings and expand their answers to give justification to their statements.

Q11 – This question was well carried out with the majority of candidates giving a sound understanding of the differences between current and savings accounts. Few candidates mentioned the fact that some current accounts pay interest. Candidates seemed to be familiar with credit cards but some of the weaker candidates felt that credit cards would get them out of debt and keep them out of debt. They did not stress the fact that the debt would increase as interest was added if the credit card account was not settled by the due date.

Q12 – Candidates appeared to be familiar with travellers' cheques and this had been well taught by assessors. Those who scored high marks stressed the fact that travellers' cheques were safe when signed by the signatory with ID and could be replaced easily. The currency conversion calculation was well carried out by most candidates and there was much improvement in using a consistent two decimal places for the answer. Candidates had again been well taught about exchange rates and what made for fluctuations in the rate. The last section – question 12(d) was less well carried out. Candidates struggled to emphasise that indirect taxation is a tax levied on goods and services rather than on individuals or companies.

Overall

Overall there were some encouraging responses by candidates and much evidence of sound tuition against the criteria for the unit.

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