

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 2

Unit 3: Personal Finance and Financial Services

Wednesday 16 January 2013 – Morning

Time: 1 hour

Paper Reference

BA203/01

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 50.
- 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 ☒. 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 **one** of the following will only discuss their own products and services?

A	Debt Counsellors	<input type="checkbox"/>
B	Citizens Advice Bureau	<input type="checkbox"/>
C	Banks and Building Societies	<input type="checkbox"/>
D	Independent Financial Advisors	<input type="checkbox"/>

(Total for Question 1 = 1 mark)

2 Which **one** of the following is **not** a security feature of a 20 pound note?

A	PIN number	<input type="checkbox"/>
B	Watermark	<input type="checkbox"/>
C	Metallic strip	<input type="checkbox"/>
D	Hologram	<input type="checkbox"/>

(Total for Question 2 = 1 mark)

3 Which **one** of the following is a type of savings account?

A	Current account	<input type="checkbox"/>
B	Mortgage account	<input type="checkbox"/>
C	Credit card account	<input type="checkbox"/>
D	Tiered interest account	<input type="checkbox"/>

(Total for Question 3 = 1 mark)

4 Which **one** of the following is the currency symbol for the Euro?

A	\$	<input type="checkbox"/>
B	€	<input type="checkbox"/>
C	£	<input type="checkbox"/>
D	¥	<input type="checkbox"/>

(Total for Question 4 = 1 mark)



5 Which **one** of the following offers free, confidential and independent advice on how to deal with debt problems?

A	Department for Work and Pensions	<input type="checkbox"/>
B	Independent Financial Advisor	<input type="checkbox"/>
C	Financial Services Authority	<input type="checkbox"/>
D	National Debtline	<input type="checkbox"/>

(Total for Question 5 = 1 mark)

6 Which **one** of the following would you **most likely** use to make a regular monthly loan payment over two years?

A	Payslip	<input type="checkbox"/>
B	Direct Debit	<input type="checkbox"/>
C	Standing Order	<input type="checkbox"/>
D	Payment Receipt	<input type="checkbox"/>

(Total for Question 6 = 1 mark)

7 Which **one** of these payment methods could insure large purchases against loss?

A	Cash	<input type="checkbox"/>
B	Cheque	<input type="checkbox"/>
C	Debit card	<input type="checkbox"/>
D	Credit card	<input type="checkbox"/>

(Total for Question 7 = 1 mark)



8 Read the following statements.

'I put money into a cash box under my bed until I have saved enough to buy what I want.'

Rosa

'I don't like to have cash lying around so I have £50 a month transferred into a savings account.'

Yessenia

'I saved up enough money to get a good deal on my new car.'

Becky

'I need an ethical savings plan that does not benefit the rich and disadvantage the poor.'

Arihant

'I have been buying gold jewellery because it gives a better return than saving cash.'

Wayne

Using the information in these statements, name the person who is:

(a) influenced by security and safety when considering their savings plans.

(1)

(b) investing in valuables rather than a financial product.

(1)

(c) storing their money rather than saving it.

(1)

(Total for Question 8 = 3 marks)



9 Matthew has just started a business course at college.

His weekly income and expenditure is as follows:

Babysitting job 2 evenings	£20.00
Bus/Travelcard	£20.00
Food and drink	£25.00
Car valet Saturday job	£30.00
Weekly cinema visit	£15.00
Pay as you go mobile	£5.00
Newspaper delivery job	£15.00

(a) (i) Using the information above, complete Matthew's weekly budget.

(4)

Item	Income		Expenditure	
	£	p	£	P
Newspaper delivery job	15	00		
Babysitting job 2 evenings	20	00		
Car valet Saturday job				
Bus/Travelcard			20	00
Food and drink				
Weekly cinema visit			15	00
Pay as you go mobile			5	00
Totals				



(ii) Matthew has a list of textbooks to buy for his course. These will cost £60.

Using examples, identify **two** ways in which Matthew can ensure he has enough money to purchase his textbooks.

(4)

1

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(b) Matthew likes to make sure everything is planned. He still worries about future unexpected expenditure.

Explain to Matthew the purpose and benefits of contingency planning.

(4)

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(Total for Question 9 = 12 marks)



10 Charlie has been working full time for two years. She recently fell at home and broke her leg and her employer says she needs to claim state benefits.

(a) Her employer says they will only pay her Statutory Sick Pay (SSP).

Describe to Charlie what SSP is.

(3)

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(b) Charlie's benefit entitlement may be 'contribution-based'.

Describe what is meant by the term **contribution-based benefits**.

(3)

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(Total for Question 10 = 6 marks)



11 Dean is going on a foreign exchange visit to New York with his school.

He is putting his £5 a week pocket money into a money box in his bedroom.

(a) Advise Dean on a financial product that would offer a better alternative to his money box.

(4)

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(b) Dean is planning to buy new clothes for his New York visit and is considering using a store card.

Outline **one** risk to Dean of using a store card.

(2)

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- (c) Dean has 75 Euros left from his summer holiday. He is going to use them towards his spending money for New York.

Information on exchange rates is as follows:

Abacus Bureau de Change	
Exchange rate	1 Euro to 1.37201 US Dollar
Commission	2%

Using this information, calculate how many US Dollars Dean will receive for his 75 Euros. Give your answer to two decimal places. Show your working.

(3)

Space for working

Euros to US Dollars

Commission

Final amount

- (d) Dean is learning about different currencies at school. He has read the following definition.

'Dominant currencies are those in which the majority of international transactions take place.'

Using this definition, state the **two** major dominant currencies.

(2)

1

2

(Total for Question 11 = 11 marks)



12 (a) Guillame, a French man working in England, has asked you to explain the following terms on his first payslip.

(i) Net Pay

(1)

(ii) PAYE

(1)

(b) Describe what is meant when the government refers to 'indirect taxes'.

(3)

(Total for Question 12 = 5 marks)



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