

Mark Scheme (Results)

January 2013

Principal Learning
Business, Administration and Finance
(BA203/01)

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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	C	(1)

Question Number	Answer	Mark
2	A	(1)

Question Number	Answer	Mark
3	D	(1)

Question Number	Answer	Mark
4	B	(1)

Question Number	Answer	Mark
5	D	(1)

Question Number	Answer	Mark
6	C	(1)

Question Number	Answer	Mark
7	D	(1)

Question Number	Answer	Mark
8(a)	Yessenia	(1)

Question Number	Answer	Mark
8(b)	Wayne	(1)

Question Number	Answer	Mark
8(c)	Rosa	(1)

Question Number	Answer	Mark																																																	
9(a)(i)	<table border="1"> <thead> <tr> <th rowspan="2">Item</th> <th colspan="2">Income</th> <th colspan="2">Expenditure</th> </tr> <tr> <th>£</th> <th>p</th> <th>£</th> <th>P</th> </tr> </thead> <tbody> <tr> <td>Newspaper delivery job</td> <td>15</td> <td>00</td> <td></td> <td></td> </tr> <tr> <td>Babysitting job 2 evenings</td> <td>20</td> <td>00</td> <td></td> <td></td> </tr> <tr> <td>Car valet Saturday job</td> <td>30</td> <td>00</td> <td></td> <td></td> </tr> <tr> <td>Bus/Travelcard</td> <td></td> <td></td> <td>20</td> <td>00</td> </tr> <tr> <td>Food and drink at college</td> <td></td> <td></td> <td>25</td> <td>00</td> </tr> <tr> <td>Weekly cinema visit</td> <td></td> <td></td> <td>15</td> <td>00</td> </tr> <tr> <td>Pay as you go mobile</td> <td></td> <td></td> <td>5</td> <td>00</td> </tr> <tr> <td>Total</td> <td>65</td> <td>00</td> <td>65</td> <td>00</td> </tr> </tbody> </table> <p>1 mark for each shaded cell</p>	Item	Income		Expenditure		£	p	£	P	Newspaper delivery job	15	00			Babysitting job 2 evenings	20	00			Car valet Saturday job	30	00			Bus/Travelcard			20	00	Food and drink at college			25	00	Weekly cinema visit			15	00	Pay as you go mobile			5	00	Total	65	00	65	00	(4)
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Question Number	Answer	Mark
9(a)(ii)	<p>1 mark for identification, 1 mark for expansion (x2) Maximum 3 marks if only use 'increase income' or 'decrease expenditure'.</p> <p>Increase income (1) or save up(1)</p> <ul style="list-style-type: none"> by working extra 2 days as a car valet to give him £60 (1) get an extra newspaper delivery round for four weeks for an extra £60 (1) six more evenings babysitting for £60 more (1) <p>Decrease expenditure (1)</p> <ul style="list-style-type: none"> by walking to college for three weeks saving £60 (1) take packed lunches from home for 2.5 weeks saving £60 (1) do not go to cinema for four weeks saving £60 (1) <p>Do not accept only 'reduce money for mobile phone' as this would take 12 weeks. Accept combinations of reducing expenditure/increasing income.</p>	(4)

Question Number	Answer	Mark
9(b)	<p>Identification of purpose (1) benefits (up to 3)</p> <p>Contingency plan is a plan to mitigate against risk (1).</p> <p>Avoids the effect of shock (1) provides the data to plan for emergencies (1) ensures a timely response if /when things may go wrong (1).</p> <p>Accept any reasonable explanation</p>	(4)

Question Number	Answer	Mark
10(a)	<p>Statutory Sick Pay is the minimum amount employers must pay (1) to any employees unable to attend work due to illness (1) unlikely to match the wages/salary being paid (1)</p> <p>Accept any reasonable answer</p>	(3)

Question Number	Answer	Mark
10(b)	<p>Contribution based benefits means that the amount of benefit you receive (1) it is variable depending on how many and what type of National Insurance Contributions you paid (1) when you were working (1).</p> <p>Accept any reasonable answer</p>	(3)

Question Number	Answer	Mark
11(a)	<p>Open a savings account (1) and put his £5 pocket money away every week/regularly (1) because it is safer/more secure than storing cash in his money box(1) and gains some interest (1).</p> <p>Accept any reasonable answer</p>	(4)

Question Number	Answer	Mark
11(b)	<p>He could spend more than he could afford to pay back (1) and then because of the interest charges the outstanding sum will continue to increase (1).</p> <p>Accept any reasonable answer.</p>	(2)

Question Number	Answer	Mark
11(c)	75 Euros X 1.37201 US Dollars = 102.90 US Dollars 2% commission = 2.06 Final currency total = 100.84 (OFR applies if answer to either first or second parts are incorrect. Do not award if answer to both are incorrect)	(3)

Question Number	Answer	Mark
11(d)	US Dollars and Euros Do not accept India (rupee) or China (yuan) as these are strongly traded within the countries/continents, they are not dominant across the world.	(2)

Question Number	Answer	Mark
12(a)(i)	Net Pay: the amount of wages/salary received after all deductions have been taken off.	(1)

Question Number	Answer	Mark
12(a)(ii)	Pay As You Earn (1) The amount of taxation deducted from an individual's wages/salary (1)	(1)

Question Number	Answer	Mark
12(b)	Indirect taxes such as VAT (1) are not personal taxes (1) because everyone pays for these when they buy goods and services - (1) regardless of whether they have any personal/earned income or not (1). A tax levied on goods or services (1) rather than on persons(1) or organisations (1)	(3)

Question Number		Indicative Content
13		<p>Features: Variable rate mortgage tracks the base rate which means that mortgage payments can go down in line with the base rate when it falls</p> <p>As he has investigated different types of mortgage, Riley will be aware the rates can change; he will also know when it does change so he can take steps to increase or reduce payments or move to a fixed rate product</p> <p>Benefits: When the base rate falls, low interest rate periods will be an advantage to Riley as he will pay less than a fixed rate mortgage, which means he could pay less each month, or pay the same rate and pay the mortgage off faster.</p>
Level	Mark	Descriptor
	0	No rewardable material
1	1-2	Candidate identifies some features of a variable rate mortgage, at the top end there will be a clear description of more than one feature such as tracking the base rate and mortgage payments can change as a result
2	3-4	Candidate identifies benefits of variable rate mortgage to Riley, at the lower end there will be broad outlines, at the top end it will be focused on the options for reduced payments or pay the same and pay of faster
3	5-6	Candidate gives a description of a variable rate mortgage. At the lower end the description will be very basic. At the top of this level the candidate will demonstrate understanding of variable rate mortgages by including both features and benefits and describe options available.

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