

Examiners' Report/  
Principal Examiner Feedback

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PL Business, Admin & Finance  
(BA303)  
Paper 01

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## Unit BA303

### Introduction

This is the fourth time this externally assessed unit has been examined. It was pleasing to see that a higher proportion of students have passed the exam this session suggesting it was accessible to the majority of students. The overall grade achieved has been higher than in some of the previous papers including the range of achievement and this is the first time that the A\* grade has been achieved for this unit. The majority of questions were attempted by all students and it was clear that students have understood the main themes of the Personal finance unit well. The questions requiring calculations or numerical information were well answered as well as those requiring a focus on a grasp of income and expenditure. It was disappointing that despite mentioning the lack of familiarity with the skills required to 'evaluate' or 'assess' in previous papers, this was also an area of concern for this paper and therefore has limited marks at the top end which high achieving candidates may have been able to obtain.

### Responses to questions

In this series, candidates attaining a grade E were expected to be able to answer, correctly, questions 1,3-5,7a,9a, and 10a.

Learners around this boundary were not expected to perform as well as those at higher mark bands on questions 2, 6, 7b, 8, 9b and 9c. At the A\*/A boundary, questions 10b, 11a, 11b and 12 enabled learners to gain high marks providing they structured their responses appropriately.

7a The majority of learners defined the term 'variable rate' correctly by referring to a change over a particular period of time or financial product. It was pleasing to see so many students mention the Bank of England and the base rate in their answer. Those that did not always score 2 marks tended to explain why they changed rather than just a simple description of the term.

7b Many learners were able to calculate the compound interest for the loan referred to in this question. There is a definite improvement in the understanding of this area of the unit. However, over half of all candidates did not achieve any marks for this question suggesting that they did not understand the basics of calculating simple personal financial maths. Centres should ensure this is covered thoroughly as this type of question has appeared in all papers and is a fundamental topic area of this unit.

8 This question has been found in other exam papers and generally learners attempted it well citing taking out loans or credit and paying bills on time as the main ways to achieve a good credit rating. Some candidates mentioned 'not changing address often' but few explained this well which limited their marks.

9a This question proved to be an easy, straight forward question and most learners achieved full marks if they understood overdrafts. Care may need to be taken to ensure candidates do not explain benefits or drawbacks rather than simply state them.

9b Many candidates struggled to achieve full marks for this question as they simply cited the case or did not consider interest rates in the context of saving or spending for Anna. Centres may need to advise candidates that stimulus material is provided for context but not simply for copying.

9c The majority of learners explained well why longer opening hours and fast account arrangements are useful. Higher marks were awarded to those that put these benefits in the context of a new customer and developed their explanations fully. The lack of ability to critically assess the benefits was disappointing but almost 25% of candidates did and were able to highlight potential inaccuracy or security issues as a risk of fast account arrangements or similar comments and were therefore able to achieve high marks.

10 a Similar questions have appeared in previous papers and the answer required was fairly straightforward: two disadvantages of using an IFA with an explanation. Therefore it was a pity that over 50% of learners did not manage to score half of the marks by explaining the disadvantages fully.

10b It was pleasing that nearly a quarter of candidates achieved higher marks for this question and that overall the factors of choosing a source of advice were brought out in the responses. Some students had discussed different types of financial advice and their relative advantages or drawbacks. Those learners at the mid level range would have benefitted from either explaining their factors more fully in the context of Anna or bringing in another relevant factor.

11a As many candidates scored no marks for this question as scored full marks, suggesting it was a case of knowing the term fully or not. It was pleasing that some of the descriptions and examples given of an indirect tax were extensive in some cases. Well done to centres for ensuring that all aspects of the course are taught fully with a range of examples given.

11b This seemed to be the question candidates struggled with most on the paper. The majority of learners managed to achieve just over half marks or less. Most candidates discussed taxation which was part of the question and different types of taxes and how these may affect Anna. This restricted the ability of the learner to show their knowledge of other and possibly more relevant external factors which affect Anna. Better answers considered exchange rates of the Canadian dollar and pound and how this might affect her Ebay business as well as financial gifts received from Canada.

12 The final question required candidates to evaluate the benefits of planning and monitoring finances and relate their comments to Anna's situation. Many responses referred to general benefits of planning and monitoring but did not always link this to Anna. However, with good explanation and some reference to the information provided about Ana over 50% of learners managed to achieve over half marks. The high marks for top level responses required the skill of evaluation to be demonstrated and in a few cases this was achieved.



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