

Examiners' Report/
Principal Examiner Feedback

Summer 2012

PL Business, Admin and Finance
(BA303) Paper 01

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Publications Code DP031827

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PL Business, Admin & Finance BA303/01 June 2012

Introduction

This is the fifth time this externally assessed unit has been examined. It was pleasing to see that the average mark was again higher than in previous sessions. This could be due to candidates becoming familiar with the unit content or there may have been a number of candidates taking the opportunity to do the exam again to improve their overall diploma grade. The majority of questions were attempted by all candidates and it was clear that candidates understood most of the main themes of the Personal finance unit well. Specific parts of the unit were not as well answered such as the difference between fixed and variable rate interest on savings accounts and the two questions linked to pensions also proved difficult. As with the previous sessions, candidates at the higher mark band struggle to master the higher level skills of analysis and evaluation. While many candidates achieved mid range level 2 marks for some of the longer essay style questions, there are a relatively few candidates who can achieve the top marks and this may be due to an over emphasis on knowledge above consideration of context and application of the theory or finance model.

Responses to questions

In this series, candidates attaining a grade E were expected to be able to answer, correctly, questions 1-6, 7a and 7b, 9a and 9c. Learners around this boundary were not expected to perform as well as those at higher mark bands on questions 8, 9b, 10a, 110b and 11b. At the A*/A boundary, questions 10b, 11b, 12 enabled learners to gain high marks provided they structured their responses appropriately.

Q7a The majority of candidates picked up 1 mark for 7a with the most popular answers being a debit card or cheque. Incorrect answers included "money from savings" or loans.

Q7b Most candidates were able to achieve at least 1-2 marks on this question.

Q8 Most candidates achieved 1 or more marks. The answer required a simple definition of the term "materialistic aspiration", followed by an example where the definition was vague or incorrect, but was accompanied by an appropriate example, 1 mark was awarded.

Q9a A very simple question for most candidates with the majority scoring maximum marks.

Q9b (i) There were a number of different responses. A good number of candidates achieved the correct result. Some who did the compound calculation correctly failed to read the question and quoted the total amount rather than the interest gained. A number of candidates still appear not to be taught about compound interest.

Q9b (ii) A large number of candidates had difficulties with this question and simply describe the differences between a fixed and variable rate of interest. The question required candidates to state why fixed rate accounts attract higher levels of interest.

Q9c Another well answered question. However, candidates who failed to put their answer into context and discuss the benefits to Ray did not get into the higher mark band.

Q10 a Many candidates were able to achieve some marks on this question with stronger candidates scoring at or near the maximum.

Q10b The majority of candidates scored in level 2. They clearly understood what a pension is but did not appear to have sufficient knowledge to answer the question at the higher level. Some were misled by the previous question and considered discussing private pension arrangements with the DWP or even withdrawing a pension and starting afresh even though Ray was already retired.

Q11a Response to this question was many and varied, and the whole range of marks was awarded. Correct answers included issues such as ethics, the environment, and value for money and paying for the name.

Q11b Only a small number of candidates achieved level 3 on this question. To achieve this higher level, candidates needed to consider whether estimating a pension age is feasible or realistic given the volatile nature of pensions at the moment and the move toward a later retirement age. In a few cases candidates simply listed a few points that might influence the decision and therefore limited themselves to lower mark bands. Candidates need to consider that command words such as 'Discuss' requires an in-depth consideration of the benefits of or difficulties in determining retirement age. This lack of depth restricted the marks for some candidates.

Q12 It was pleasing that so many candidates made a good attempt at answering the question. Better responses provided a more detailed analysis of the three options for Ray and there was an attempt to justify the final choice.

Grade Boundaries

Grade boundaries for this, and all other papers, can be found on the website on this link:

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