

Mark Scheme

Principal Learning

Business, Administration and Finance (BA203/01)

General guidance on marking

Examiners should look for qualities to reward rather than faults to penalise. This does NOT mean giving credit for incorrect or inadequate answers, but it does mean rewarding learners for answers showing correct application of principles and knowledge, and for critical and imaginative thinking. Examiners should therefore read and consider every response carefully; even if it is not what is expected it may be worthy of credit. The Principal Examiner or Team Leader should be consulted as necessary.

Using the mark scheme

- 1 The first row identifies the question.
- 2 The first column identifies the part of the question.
- 3 The second column identifies acceptable responses.
- 4 Exemplar responses are not necessarily exhaustive and markers should apply professional judgement.
- 5 For some exemplar responses, example answers have been supplied as additional guidance, particularly where the question allows for a wide range of responses from the learner. Each bullet point illustrates an alternative way of obtaining the mark(s).
- 6 The use of a dash '-' indicates the separation of points made, to show where the marks lie. The use of an oblique '/' indicates an alternative point for the same mark.
- 7 The second column sometimes indicates where marks are to be awarded with a number inside parentheses, eg (1)
- 8 The third column gives the sub-total for each part of the question and the total marks for the question.

Where extended answers are required from the learner, levels of response style instructions are provided.

Question number	Answer	Mark
1	B	(1)

Question number	Answer	Mark
2	A	(1)

Question number	Answer	Mark
3	B	(1)

Question number	Answer	Mark
4	C	(1)

Question number	Answer	Mark
5	A	(1)

Question number	Answer	Mark
6	D	(1)

Question number	Answer	Mark
7	D	(1)

Question number	Answer	Mark
8 (i)	Jan	(1)

Question number	Answer	Mark
8 (ii)	Bryn	(1)

Question number	Answer	Mark
8 (iii)	Vira	(1)

Question number	Answer	Mark
9 (a)	<p>1 mark for identifying the moneymadeclear website. (The full URL is not required.)</p> <p>1 mark for giving an appropriate reason. Possible reasons:</p> <ul style="list-style-type: none"> • because the FSA does not sell mortgages • because any building society would like to sell its own products 	(2)

Question number	Answer	Mark
9 (b)	4 marks for correct calculations: <ul style="list-style-type: none"> • Post Office 132.5 euros (1) • Lloyds TSB 134 euros (1) less 2.68 euros (1) = 131.32 euros (1) 1 mark for a decision based on the calculations: <ul style="list-style-type: none"> • Post Office OFR 	(5)

Question number	Answer	Mark
10 (a)	B D (2 x 1)	(2)

Question number	Answer	Mark
10 (b)	B E F (3 x 1)	(3)

Question number	Answer	Mark
11 (a)	C	(1)

Question number	Answer	Mark																																																																														
11 (b)	1 mark for each item and total entered in the correct column.																																																																															
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	<table border="1"> <thead> <tr> <th>Item</th> <th colspan="2">Receipts (£)</th> <th colspan="2">Payments (£)</th> <th></th> </tr> </thead> <tbody> <tr> <td>Net income for June from full-time job</td> <td>745</td> <td>20</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Mortgage payment</td> <td></td> <td></td> <td>603</td> <td>55</td> <td></td> </tr> <tr> <td>Council tax</td> <td></td> <td></td> <td>115</td> <td>60</td> <td></td> </tr> <tr> <td>Part-time earnings</td> <td>184</td> <td>40</td> <td></td> <td></td> <td>(1)</td> </tr> <tr> <td>Telephone, gas and electric bills</td> <td></td> <td></td> <td>120</td> <td>50</td> <td>(1)</td> </tr> <tr> <td>Spending money for entertainment</td> <td></td> <td></td> <td>50</td> <td>00</td> <td>(1)</td> </tr> <tr> <td>Petrol and other car items</td> <td></td> <td></td> <td>86</td> <td>75</td> <td>(1)</td> </tr> <tr> <td>Insurance premium</td> <td></td> <td></td> <td>14</td> <td>85</td> <td>(1)</td> </tr> <tr> <td>Interest received from savings</td> <td>25</td> <td>00</td> <td></td> <td></td> <td>(1)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>TOTALS</td> <td>954</td> <td>60</td> <td>990</td> <td>75</td> <td>(2)</td> </tr> </tbody> </table>		Item	Receipts (£)		Payments (£)			Net income for June from full-time job	745	20				Mortgage payment			603	55		Council tax			115	60		Part-time earnings	184	40			(1)	Telephone, gas and electric bills			120	50	(1)	Spending money for entertainment			50	00	(1)	Petrol and other car items			86	75	(1)	Insurance premium			14	85	(1)	Interest received from savings	25	00			(1)													TOTALS	954	60	990	75	(2)
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Question number	Answer	Mark
11 (c) (i)	£36.15 OFR	(1)

Question number	Answer	Mark
11 (c) (ii)	Deficit OFR	(1)

Question number	Answer	Mark
11 (d)	£29.25	(1)

Question number	Answer	Mark
11 (e)	1 mark for a plausible reason.	
	Possible answer: <ul style="list-style-type: none"> Because it gives Pat a plan of action in case something happens 	
		(1)

Question number	Answer	Mark
12 (a)	<p>1 mark for a description of the difference, 1 mark for an example to show how this works</p> <p>Possible answer:</p> <ul style="list-style-type: none"> • Rates that vary according to the amount (1). If you invest £5,000, you receive 3.91% net, but invest £10,000 and you receive 4.1% net (1) 	(2)

Question number	Answer	Mark
12 (b)	<p>1 mark for correct workings, 1 mark for the correct total.</p> <p>£6,000 x 3.91% (1) £234.60 (1)</p>	(2)

Question number	Answer	Mark
12 (c)	<p>1 mark for choosing the ISA. 2 marks for the justification. Possible answers include:</p> <ul style="list-style-type: none"> • interest is not taxable • Poj will have tax deducted from the Internet Saver interest • 4.76% is higher than the relevant rates for the Internet Saver 	(2 x 1) (3)

Question number	Answer	Mark
12 (d)	<p>1 mark for choosing an accurate description of the role of the IFA, 1 mark for an accurate description of the role of a debt counsellor.</p> <p>Possible answer:</p> <ul style="list-style-type: none"> • An independent financial adviser seeks to help people achieve their personal financial goals (1) whereas a debt counsellor supports people who are having problems with financial debts (1) 	(2)

Question number	Answer	Mark
12 (e)	<p>1 mark for each similarity. Up to 2 marks for each difference or point of comparison (maximum 6).</p> <p>[SE=Stock Exchange; PB=Premium Bonds]</p> <p>Similarities</p> <ul style="list-style-type: none"> • Both offer the chance to increase investment/the chance of quick returns (1) • Both are a 'gamble' because the amount of the increase is not known/there is no guarantee of any increase (1) <p>Differences/points of comparison</p> <ul style="list-style-type: none"> • SE is more of a gamble because all or some of the amount invested can be lost (1) but with PB the amount invested remains safe (1) • For the SE the increase/reduction is not known (1) whereas PB the amount of increase (prize value) is stated (1) • SE specialist knowledge helps (1) whereas for PB no specialist knowledge is required (1) • SE there are different forms of investment such as managed portfolios (1) whereas PB is a single type of investment (1) 	(6)