

# Mark Scheme (Results)

## Summer 2010

IGCSE

### IGCSE COMMERCE (4340) Paper 03

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Question Number	Answer	Mark
1	<ul style="list-style-type: none"> <li>• best investment (1)</li> <li>• for £500 000 (1)</li> </ul>	(2)

Question Number	Answer	Mark
2(a) (i)	<ul style="list-style-type: none"> <li>• Money received/charged (1)</li> <li>• When money is saved/lent out (1)</li> </ul>	(2)

Question Number	Answer	Mark
2(a) (ii)	<ul style="list-style-type: none"> <li>• Sum of money earned (1)</li> <li>• For sales made (1)</li> </ul>	(2)

Question Number	Answer	Mark
2(b)	<ul style="list-style-type: none"> <li>• 6% of £200 000 (1)</li> <li>• £12 000 (1)</li> <li>• £4800 tax paid (1)</li> <li>• £7200 net amount (1)</li> </ul> apply OFR	(4)

Question Number	Answer	Mark
2(c)	<ul style="list-style-type: none"> <li>• difference between price paid for share and price received when sold (2)</li> <li>• appropriate example with a calculations (2)</li> </ul>	(4)

Question Number	Answer	Mark
3	<p>Example 1 - Savings in a bank</p> <p>Advantages:</p> <ul style="list-style-type: none"> <li>• interest received</li> <li>• depending on time period/amount</li> <li>• low risk</li> </ul> <p>Disadvantages:</p> <ul style="list-style-type: none"> <li>• limited return</li> <li>• capital loses value over time</li> </ul> <p>Example 2 - Money Market</p> <p>Advantages:</p> <ul style="list-style-type: none"> <li>• low risk</li> <li>• steady income</li> <li>• higher return than most deposits</li> </ul> <p>Disadvantages:</p> <ul style="list-style-type: none"> <li>• large minimum sum</li> <li>• rate of interest varies</li> </ul> <p>Example 3 - House prices</p> <p>Advantages:</p> <ul style="list-style-type: none"> <li>• capital gain</li> <li>• not timed (unless second home)</li> <li>• medium/long term rise</li> </ul> <p>Disadvantages:</p> <ul style="list-style-type: none"> <li>• short term risk</li> <li>• negative equity possible</li> <li>• costs of purchase</li> </ul>	(18)

Question Number	Answer	Mark
4	<p>Two marks for each valid reason which justifies the choice.</p> <p>eg</p> <ul style="list-style-type: none"> <li>• reasoned decision regarding one or more investments</li> <li>• depends on client's aims/intentions</li> <li>• consideration of tax position</li> <li>• recognition of difference between gross &amp; net income</li> <li>• awareness of short and long term differences</li> <li>• comparisons with other choices</li> </ul>	(8)

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