

Answer ALL questions

1. Many people now use Internet banking. Below is shown an extract from an Internet banking statement.

Study the Internet bank statement, and use it to answer the questions that follow.

\$ FIRST BANK OF WIKI
 1425 JAMES ST. PO BOX 4000
 VICTORIA BC V8X 3X4 1-800-555-5555

INTERNET ACCOUNT STATEMENT
 Page: 1 of 1

JOHN JONES
 1643 DUNDAS ST W APT 27
 TORONTO ON M6K 1V2

Statement period	Account no.
1 April – 30 April 2010	00005-123-456-7

Date	Description	Ref.	Withdrawals	Deposits	Balance
1 April	Previous balance				0.55
2 April	Payroll Deposit – HOTEL			694.81	695.36
3 April	Web Bill Payment – MASTERCARD	9685	200.00		495.36
4 April	ATM Withdrawal	3990	21.25		474.11
4 April	Fees – Interac		1.50		472.61
5 April	Interac Purchase – ELECTRONICS	1975	2.99		469.62
6 April	Web Bill Payment – AMEX	3314	300.00		169.62
7 April	ATM Withdrawal – FIRST BANK	0064	100.00		69.62
11 April	Interac Purchase – SUPERMARKET	1569	29.08		40.54
12 April	Interac Refund – ELECTRONICS	1975		2.99	43.53
15 April	Telephone Bill Payment – VISA	2475	6.77		36.76
18 April	Payroll Deposit – HOTEL			694.81	731.57
21 April	Web Funds Transfer – From SAVINGS	2620		50.00	781.57
22 April	Pre-Auth. Payment – INSURANCE		33.55		748.02
23 April	Cheque No. – 409		100.00		648.02
26 April	Mortgage Payment		710.49		-62.47
29 April	Fees – Overdraft		5.00		-67.47
30 April	Fees – Monthly		25.00		
Totals			1,535.63	1,442.61	



(a) (i) What is the name of the bank customer?

..... (1)

(ii) Identify the sender of the bank statement.

..... (1)

(iii) Explain the entry on 15 April 2010

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..... (3)

(iv) How much is in the account on 3 April 2010

..... (1)

(v) What is the balance of the account on 30 April 2010

..... (1)



(b) Describe, using the methods below, how a payment is made through Internet banking.

(i) Cheque

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(3)

(ii) Standing order

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(3)

(iii) Direct Debit

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(3)

(c) Discuss the advantages of Internet banking to:

(i) the customer

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(3)



(ii) the bank.

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(3)

On 26 April 2010, the customer's account became overdrawn.

(d) (i) What is an overdraft?

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(2)

(ii) How does a bank loan differ from an overdraft?

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(2)

Internet banking customers will still use Automatic Teller Machines (ATMs) to withdraw cash for their personal use.

(e) Suggest why banks provide ATMs for use by customers.

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(4)

(Total 30 marks)

Q1

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2. Buying and selling between traders and their customers is often on credit.

(a) (i) Describe **two** advantages to the customer of obtaining credit.

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(4)

(ii) Why do traders allow their customers to buy on credit?

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(3)



During the course of a commercial transaction, the following invoice was issued.

<u>INVOICE</u>				No 3419
TANY TRADING PTE LTD (Wholesalers) Western Boulevard Singapore 569321				
The Lee Department Store Beach Road Singapore 532614			30th November 2010	
Terms: 5% one week, 2½% one month			Order No 6541	
Cat. No.	Qty	Description	Unit Price	Total
			\$	\$
631	20	Ladies' silk blouses	13	260
642	20	Ladies' silk scarves	5	100
426	20	Men's sports shirts	12	(i).....
461	20	Silk ties	15	(ii).....
				900
		Less 20% trade discount		(iii).....
		Total		(iv).....
E & O E				

Study the invoice, and use it to answer the questions that follow.

(b) (i) Complete (i) to (iv) in the total column on the invoice above. (4)

(ii) State **two** reasons why trade discount is given to the Lee Department Store.

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(2)



(iii) Calculate the cash discount if Lee Department Store pays the outstanding balance on this invoice within 7 days.

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..... (2)

(iv) State **two** reasons why the buyer might delay payment rather than accept the terms offered.

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..... (2)

(v) Outline **one** method of communication that the seller could use to send this invoice to the customer.

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..... (3)



Two of the silk ties supplied were damaged.

(c) What actions might Lee Department Store and Tany Trading take in this situation?

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(5)

Q2

(Total 25 marks)



3. The following pictures show two methods of transporting goods in international trade.

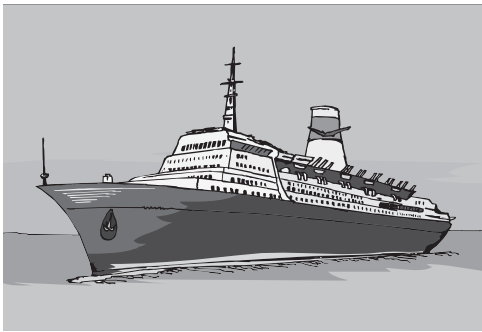


Image A

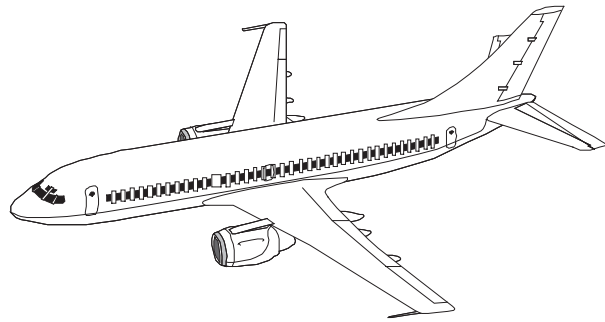


Image B

Using the pictures, answer the following questions.

(a) (i) Name **two** products likely to be carried by the transport shown in picture A.

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(2)

(ii) Using an example, state how the transport labelled B would be used in your country.

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(2)

(iii) What is meant by international trade?

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(2)



(b) Discuss how air transport has developed over the past 50 years.

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(6)

(c) Analyse why some goods are more suitable for transport by sea rather than by air.

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(6)



(d) Explain the benefits of international trade to people.

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(7)

Q3

(Total 25 marks)

TOTAL FOR PAPER: 80 MARKS

END

