



**General Certificate of Secondary Education
January 2012**

Economics

413011

(Specification: 4135/4132)

Unit 11: Personal Economics

Final

Mark Scheme

Mark schemes are prepared by the Principal Examiner and considered, together with the relevant questions, by a panel of subject teachers. This mark scheme includes any amendments made at the standardisation meeting attended by all examiners and is the scheme which was used by them in this examination. The standardisation meeting ensures that the mark scheme covers the candidates' responses to questions and that every examiner understands and applies it in the same correct way. As preparation for the standardisation meeting each examiner analyses a number of candidates' scripts: alternative answers not already covered by the mark scheme are discussed at the meeting and legislated for. If, after this meeting, examiners encounter unusual answers which have not been discussed at the meeting they are required to refer these to the Principal Examiner.

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Total for this question: 30 marks

1 (a) Identify **two** advantages of a credit card.

(2 marks)

One mark for each feature.

(AO1)

Possible advantages include:

- allows you to spend now and pay later
- free credit if one pays off the balance at the end of each month
- allows you to buy goods when you have no cash
- allows you to withdraw cash from cash machines
- some credit cards give cash back on purchases and other benefits – including insurance
- allows consumers to buy goods easily on line or over the telephone
- more secure than cash.

1 (b) Explain **one** reason why it was a good idea for Natasha to draw up a budget.

(3 marks)

Possible answers include:

- it shows income and how it is spent
- a budget will help Natasha plan her limited finances
- it will enable her to plan how she can save to buy the laptop.

Level	Descriptor	Marks	Assessment Objective
2	Explains benefit of a budget to Natasha.	3–2	AO2
1	Demonstrates understanding of a budget.	1	AO1
0	No valid response.	0	

1 (c) Calculate how many months it will take for Natasha to save the extra £200 she needs to buy the laptop computer if she saves £25 a month.

(3 marks)

Correct answer: 8 months.

(3 marks)

200 (1) / 25 (1) = 8 months (1) OF.

(AO2)

1 (d) Using Natasha's budget in **Item A**, suggest, giving reasons, how she could reduce her spending so she can save £25 per month. (4 marks)

Possible suggestions/reasons include:

- cut out or reduce all spending on luxuries/non-essential items to reduce outgoings, eg going out with friends/socialising
- if she is on a pay as you go contract she could reduce her mobile phone spending, eg cut back drastically on calls/texts. This may not be possible if she is on a fixed contract
- ask parents to cut housekeeping demands so as to decrease outgoings
- buy cheaper clothes, shop around for bargains
- walk/cycle to school instead of using public transport.

Answer could refer to a combination of different spending reductions.

Level	Descriptor	Marks	Assessment Objective
2	Suggests way(s) of reducing spending in context.	4–2	AO2
1	Identifies ways of reducing spending.	1	AO1
0	No valid response.	0	

1 (e) Do you think that by buying a laptop computer, Natasha is satisfying a need or a want? Explain your answer. (6 marks)

Candidates will need to assess how far the laptop is a necessity for Natasha (a need) or whether it is not essential (a luxury and, therefore, just a want). Candidates can argue that it is both, ie a need and a want.

Need:

- will *need* access to a word-processor/the internet to support her school/university life and meet *needs* of her studies
- important for her to keep in touch with family
- may also help her reduce spending on mobile phone etc, if she has easy access to emails, thereby reducing her total outgoings.

Want:

- Natasha *wants* a laptop to support her university life, but it is not essential
- computers will no doubt be offered at university so she should have access to the desired facilities
- only to be used to play games on, listen to music – not a necessity.

Level	Descriptor	Marks	Assessment Objective
3	Reasoned judgement offered in context.	6–5	AO3
2	Explains needs and wants in context.	4–3	AO2
1	Demonstrates basic understanding of need/want.	2–1	AO1
0	No valid response.	0	

1 (f) *If Natasha decides to buy the laptop computer, she could:*

- *wait until she has saved up enough money to buy it*
- *get a credit card and buy it now*
- *work extra hours at the music store.*

What would you advise Natasha to do? Give reasons for your advice.

(12 marks)

Candidates can suggest any one of the three options. Any well-reasoned course of action is acceptable.

They may consider the following issues:

Saving up:

- will take longer - does she have enough time to save before she goes to university?
- the laptop may not be available or the price may have risen by the time she saves up
- to increase saving will mean going without/foregoing other areas of spending
- she will avoid interest payments
- she will not owe any money.

Borrowing - buying on a credit card:

- she can get the lap top straight away
- interest to be paid and possible penalties for late/non-payment
- she will pay more than the cash price if she pays interest charges
- she will need to make regular (monthly) repayments.

Working extra hours:

- work may not be available
- may interfere with study
- parents may ask for more housekeeping
- would mean that she could save in a shorter period of time – or not need to reduce spending
- reduce interest paid on credit card.

Award marks for AO1, AO2 and AO3 using the grid below.

Examiners must annotate the level selected by using L1 or L2 or L3.

Level	Descriptor	Marks	Assessment Objective
3	Uses Item A to analyse the effect of borrowing, saving or working.	6–5	AO3
2	Uses Item A to describe the effect of borrowing, saving or working.	4–3	AO2
1	Demonstrates understanding of borrowing, saving or working.	2–1	AO1
0	No valid response.	0	

See next page for Evaluation Grid.

In addition, separately award marks for evaluation using the grid below.

Note: this question also assesses candidates' quality of written communication. When deciding on the level to be awarded for AO3, consider the degree to which the candidate orders and communicates his/her ideas.

Examiners must annotate the level selected by using E1 and E2.

Judgement is being made in relation to the option selected.

Level	Descriptor	Marks	Assessment Objective
E2	Offers judgement with clear justification Ideas are communicated using a logical structure, with some appropriate uses of technical terms. There are occasional errors in accepted conventions of written communication.	6–4	AO3 and Quality of written communication
E1	Offers judgement with limited justification. Ideas are communicated with some structure evident with occasional use of technical terms. There are noticeable errors in accepted conventions of written communication.	3–1	

2**Total for this question: 20 marks**

2 (a)	<i>State two disadvantages of specialisation.</i>	<i>(2 marks)</i>
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One mark for each disadvantage which can be from the viewpoint of either the worker and/or the business. (AO1)

Possible disadvantages include:

- boring/repetitive work
- narrow skills-set
- lack of variety
- harder to gain re-employment (in jobs requiring other skills)
- harder to arrange staff cover for illness, holidays etc.

2 (b)	<i>Explain one reason why solar panel businesses are offering opportunities to earn high wages.</i>	<i>(2 marks)</i>
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Possible reasons include:

- high wages offered to attract workers from other jobs
- high demand for/shortage of supply of solar panel fitters owing to increase in demand for solar panels
- advertising incentive for business to attract workers – only an ‘opportunity’, not a definite
- bonus structure adding top-up to basic wage, which is linked to volume of panels fitted.

Level	Descriptor	Marks	Assessment Objective
2	Reason for high wages explained in context.	2	AO2
1	Possible reason for high wages identified.	1	AO1
0	No valid response.	0	

2 (c) *Apart from wages, explain **two** other factors that might attract workers, such as Clive, to work for a solar panel company. (4 marks)*

Possible factors include:

- better working conditions
- more variety in the work
- long term security
- fringe benefits/perks
- environmental considerations
- training incentive, leading to the possibility of running own business.

Level	Descriptor	Marks	Assessment Objective
2	Factor(s) explained in context.	4–3	AO2
1	Factor(s) identified.	2–1	AO1
0	No valid response.	0	

2 (d) *Natasha thinks that her father should continue to work at the factory and should not move to a job fitting solar panels.*

Do you agree with Natasha? Give reasons for your answer. (12 marks)

Case for staying at current job:

- regular income
- gets on well with his work mates
- would not lose wages training for the new job
- good benefits like paid holidays, pension
- specialised in the tasks he does so is proficient and does them well.

Case for retraining:

- possibility of higher wages and bonuses leading to a better standard of living
- increased job satisfaction
- more variety in the work
- better future prospects as he would be moving into a growing sector
- possibility of running his own solar-panel business.

Award marks for AO1, AO2 and AO3 using the grid below.

Examiners must annotate the level selected by using L1 or L2 or L3.

Level	Descriptor	Marks	Assessment Objective
3	Uses Item B to analyse the issues of where Natasha's father should work.	6–5	AO3
2	Uses Item B to describe the issues of where Natasha's father should work.	4–3	AO2
1	Demonstrates understanding of why people change jobs.	2–1	AO1
0	No valid response.	0	

See next page for Evaluation Grid.

In addition, separately award marks for evaluation using the grid below.

Note: this question also assesses candidates' quality of written communication. When deciding on the level to be awarded for AO3, consider the degree to which the candidate orders and communicates his/her ideas.

Examiners must annotate the level selected by using E1 and E2.

Judgement is being made in relation to the option selected.

Level	Descriptor	Marks	Assessment Objective
E2	Offers judgement with clear justification Ideas are communicated using a logical structure, with some appropriate use of technical terms. There are occasional errors in accepted conventions of written communication.	6–4	AO3 and Quality of written communication
E1	Offers judgement with limited justification. Ideas are communicated with some structure evident with occasional use of technical terms. There are noticeable errors in accepted conventions of written communication.	3–1	

3**Total for this question: 20 marks**

3 (a)	<i>Identify two reasons why people want to migrate.</i>	<i>(2 marks)</i>
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Reasons may include:

- higher wages
- better standard of living/quality of life
- greater employment opportunities/job prospects
- escape persecution (asylum).

One mark for each reason.

(AO1)

3 (b)	<i>Explain the possible benefits that Abena, and other such skilled workers from abroad, may have brought to Natasha's local community.</i>	<i>(6 marks)</i>
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Possible benefits could include:

- Abena provides a much needed service (maternity nurse) which meets an essential need of the local community (child delivery). This helps to reduce pressure on local (eg healthcare) resources
- Abena is filling a job vacancy that might not otherwise have been filled owing to skills shortages across the UK and in the local community
- workers such as Abena bring new skills/ideas from abroad to local communities such as Natasha's, eg better practices, better work ethics etc. This could help to improve the efficiency of local services etc.
- workers bring extra spending into a community which can create jobs and extra income.

Level	Descriptor	Marks	Assessment Objective
3	Explains benefit(s) of overseas workers in context.	6–5	AO2
2	Describes benefit(s) of overseas workers.	4–3	
1	Identifies benefit(s) of overseas workers.	2–1	AO1
0	No valid response.	0	

<p>3 (c) <i>Do you agree with Natasha that the migration of workers, both into and out of the UK, benefits the UK economy? Justify your answer. (12 marks)</i></p>

To gain the higher marks, candidates are expected to consider **both** the inward **and** the outward flow of workers to and from the UK. **Note, the question asks specifically about ‘workers’.** Candidates are not expected to expand into politically sensitive areas such as asylum seeking etc.

Effects of migration into UK:

Positive:

- provide much-needed workers for skilled/unskilled jobs in the UK
- do the jobs UK workers are no longer prepared to do
- immigrants prepared to work for lower wages which reduces pressure on UK employers and the UK economy
- import of ideas into the UK to inform new practices; better work ethic etc.
- multicultural effects on the UK, eg cuisine etc.

Negative:

- increases supply of labour in the UK which could reduce wages
- lower wages expectations could lower wages for certain jobs in the UK
- more competition for jobs in the UK; social upheaval; prejudice
- increased pressure on resources in the UK etc, possibly leading to higher taxes
- seepage of skilled workers/workers from country of origin perhaps leading to labour shortages and more pressure on resources etc.

Effects of migration from UK:

Positive:

- helps reduce unemployment in UK as workers seek employment elsewhere (less pressure on resources etc)
- the host country will benefit from any skills/capital the migrant workers bring with them from the UK
- spread and exchange of ideas/globalisation
- migrants may send income home thus increasing income in UK
- reduces pressure on resources in the UK.

Negative:

- brain-drain effects, eg loss of skills out of the UK creating skills shortage in UK.

See next page for Assessment Level and Evaluation Grids.

Award marks for AO1, AO2 and AO3 using the grid below.

Examiners must annotate the level selected by using L1 or L2 or L3.

Level	Descriptor	Marks	Assessment Objective
3	Analyses the costs/benefits of migration both to and from the UK.	6–5	AO3
2	Describes the costs/benefits of migration.	4–3	AO2
1	Demonstrates understanding of migration.	2–1	AO1
0	No valid response.	0	

In addition, separately award marks for evaluation using the grid below.

Note: this question also assesses candidates' quality of written communication. When deciding on the level to be awarded for AO3, consider the degree to which the candidate orders and communicates his/her ideas.

Examiners must annotate the level selected by using E1 and E2.

Level	Descriptor	Marks	Assessment Objective
E2	Offers judgement with clear justification as to the benefits of migration both to and from the UK Ideas are communicated using a logical structure, with some appropriate use of technical terms. There are occasional errors in accepted conventions of written communication.	6–4	AO3 and Quality of written communication
E1	Offers judgement with limited justification but perhaps only referring to migration into the UK. Ideas are communicated with some structure evident with occasional use of appropriate technical terms. There are noticeable errors in accepted conventions of written communication.	3–1	