

Centre Number						Candidate Number				
Surname										
Other Names										
Candidate Signature										

For Examiner's Use	
Examiner's Initials	
Question	Mark
1	
2	
3	
TOTAL	



General Certificate of Secondary Education  
Specimen Paper

# Business Subjects and Economics

**4130/11**

## Unit 11 Personal Economics

### Written Paper

**You will need no other materials.**  
You may use a calculator.

#### Time allowed

- 1 hour 15 minutes

#### Instructions

- Use black ink or black ball-point pen.
- Fill in the boxes at the top of this page.
- Answer all questions.
- You must answer the questions in the space provided. Answers written in margins or on blank pages will not be marked.
- Do all rough work in this book. Cross through any work you do not want to be marked.

#### Information

- The marks for questions are shown in brackets.
- The maximum mark for this paper is 70.
- You are reminded of the need for good English and clear presentation in your answers. All questions should be answered in continuous prose. Quality of Written Communication will be assessed in questions 1 (d), 2 (c) and 3 (c).



**4130/11**

Answer **all** questions in the spaces provided.

**Total for this question: 24 marks**

**1** Read **Item A** and then answer the questions that follow.

**Item A**

**How to pay for a car**

Rebecca Brown is an 18 year old student who is considering buying a car. She will be going to University next year if her examination results are good enough. Rebecca has used the internet to search for a second hand Renault Clio and has found one for sale at £2000. She is now considering the best way to pay for it. Rebecca has considered the following options.

- Use her savings of £2000 in a building society that are earning 5% interest per annum.
- Use a bank overdraft. The bank has told her she can overdraw her current account by £1000.
- Obtain a loan from a car finance company. She has seen in the newspaper that a loan of £2000 could be repaid in instalments over three years at an Annual Percentage Rate (APR) of 12.9%.

Rebecca's father Bob, has told Rebecca that she ought to buy her car quite quickly as prices of small cars are rising. As petrol prices are increasing, people are looking for cars with a low fuel consumption.

**1** (a) (i) What is meant by an 'overdraft'?

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(2 marks)

(Extra space).....

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**1 (a) (ii)** Explain why Rebecca may not want to have an overdraft.

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*(2 marks)*

*(Extra space)* .....

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**1 (b)** Explain why Rebecca might not want to use all of her savings to finance the purchase of the car.

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*(3 marks)*

*(Extra space)* .....

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**Question 1 continues on the next page**



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**Total for this question: 24 marks**

**2** Read **Item B** and then answer the questions that follow.

**Item B**

**Moving South?**

Rebecca’s father, Bob, is a production line worker at *National Motor Cars (NMC) plc*, which is a large car manufacturer. *NMC* has two factories in the UK, one in the South, the other in the North East.

The company has decided to close down the factory in the North East, where Bob works. However, the company has offered him a job in the other factory but this will involve the family moving house. The company has offered him a higher salary and help with moving, but Bob is aware that the cost of living will be much higher in the South.

Bob is quite keen to move but his son, Darren, is still at school and will be sitting his GCSEs next year. On the other hand, Claire, his wife, is confident she could find work in the South. If Bob stays in the North East, he will find it very difficult to find a similar job, and unemployment in the area is high.

**2 (a)** *NMC* pays Bob monthly.

State **two** items that might be deducted from Bob’s gross pay.

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(2 marks)

(Extra space) .....

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**3 (b)** Giving **two** reasons, explain why *Whippets* is considering employing foreign workers.

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(5 marks)

(Extra space).....

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**3 (c)** Discuss the advantages and disadvantages for the economy if UK businesses employ increasing numbers of workers from abroad.

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