Centre Number				Candidate Number		
Surname						
Other Names						
Candidate Signature						



General Certificate of Secondary Education Specimen Paper

4130/11

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

Business Subjects and Economics

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).



marking

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'?
			(2 marks)
			(Extra space)



1	(a)	(ii)	Explain why Rebecca may not want to have an overdraft.
			(2 marks)
1	(b)		ain why Rebecca might not want to use all of her savings to finance the hase of the car.
		•••••	
		(Extr	(3 marks)
			Question 1 continues on the next page



1	(c)	Giving two reasons, explain why the price of small cars are rising.
		(5 marks) (Extra space)
1	(d)	Rebecca has to choose the best way of paying for her car. She could:
	(-)	• use some or all of her building society savings
		use the overdraft from the bankborrow from the car finance company.
		How do you think she should pay for the car? Explain your answer.



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Total for this question: 24 marks

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.
		(2 marks)
		(Extra space)



2	(b)	(i)	Explain why the Government might be concerned about the closure of the factory.
			(5 marks) (Extra space)
			Question 2 continues on the next page



2	(b)	(ii)	Explain two actions the Government could take to reduce unemployment in the area where Bob currently lives.
			(Extra space)(5 marks)
2	(c)	Shou	ald Bob take the job and move his family South? Explain your answer.



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Total for this question: 22 marks

3 Read Item C and then answer the questions that follow.

Item C

Following Bob's decision to accept *NMC plc*'s job offer, the family have now settled in the South of England.

Claire is working as a lorry driver for *Whippets Ltd*, a local haulage company. One of its largest customers is a national supermarket chain which requires the haulage company to make regular journeys to Spain to collect fresh fruit and vegetables. Claire is one of *Whippets*' long distance drivers.

Following increased pressure from its customers and shareholders, the supermarket chain has decided to source most of its fresh fruit and vegetables from local suppliers. As a result, it is considering cancelling its contract with Whippets. This has come at a bad time for the company as it is facing higher diesel prices.

The company is thinking of ways of reducing its costs. It has heard that there are a number of unemployed lorry drivers from Eastern Europe seeking work and are willing to work for lower wages than Claire and the other drivers are paid.

3	(a)	Giving two reasons, explain why a supermarket chain might import fruit and vegetables from Spain.
		/5
		(Extra space)



Barcode

3	(b)	Giving two reasons, explain why <i>Whippets</i> is considering employing foreign workers.
		(5 marks)
		(Extra space)
3	(c)	Discuss the advantages and disadvantages for the economy if UK businesses employ increasing numbers of workers from abroad.



(12 mark
(Extra space)

END OF QUESTIONS

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