

# Pearson BTEC Level 3 National in Business

Unit 3: Personal and  
Business Finance



## Sample Assessment Materials (SAMs)

*For use with Extended Certificate, Foundation Diploma,  
Diploma and Extended Diploma in Business*

*First teaching from September 2016*

*Issue 5*

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**Summary of Pearson BTEC Level 3 Nationals in Business Sample Assessment Materials for Unit 3: Personal and Business Finance Issue 5 changes**

<b>Summary of changes made between previous issue and this current issue</b>	<b>Page number</b>
Question 10 stem has been updated.	9
Mark scheme for question 11 (b) has been updated.	28

**Summary of Pearson BTEC Level 3 Nationals in Business Sample Assessment Materials for Unit 3: Personal and Business Finance Issue 4 changes**

<b>Summary of changes made between Issue 3 and Issue 4</b>	<b>Page number</b>
The total mark for this paper has changed from 100 to 80.	1 and 16
Question 3 has changed.	3
Question 4 has been replaced with a new question.	4
Question 5 has been replaced with previous question 4.	5
Question 8 has been replaced with a new question.	8
Question 9 has changed.	9
Question 10 has changed.	9
Question 11 has changed.	13
The sample mark scheme has change according to changed and new questions.	17 to 30

If you need further information on these changes or what they mean, contact us via our website at: [qualifications.pearson.com/en/support/contact-us.html](http://qualifications.pearson.com/en/support/contact-us.html).



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## Pearson BTEC Level 3 Nationals

Write your name here

Surname

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Learner Registration Number

Centre Number

Level


# Business

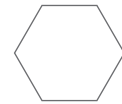
## Unit 3: Personal and Business Finance

Extended Certificate, Foundation Diploma, Diploma, Extended Diploma.

Sample assessment material for first teaching September 2016

**Time: 2 hours**

Total



marks

**You must have:**

Calculator

### Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and learner registration number.
- Answer **all** questions.
- Show your working when requested.

### Information

- The total mark for this paper is 80.
- The marks for **each** question are shown in grey boxes – use this as a guide as to how much time to spend on each question.
- There are **two** sections: Section A Personal Finance and Section B Business Finance.

### Advice

- Read each question carefully before you start to answer it.
- Try to answer every question.
- Check your calculations and show the steps you have used.
- Check your answers if you have time at the end.

Paper reference

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Turn over ►

PEARSON

**SECTION A: Personal Finance**

**Answer ALL questions. Write your answers in the spaces provided.**

**You are advised to spend at least 45 minutes on this section.**

Customers for financial services have access to a range of products, which are subject to regulation.

- 1** Give **two** features of a premium current account.

1 .....

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2 .....

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Total for Question 1 = 2 marks

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2 Describe the role of the Financial Ombudsman Service.

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Total for Question 2 = 2 marks

3 Explain **one** advantage to the consumer of using pre-paid credit cards when on holiday.

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Total for Question 3 = 2 marks

4 Explain **two** advantages to the investor of purchasing shares in a business.

1 .....

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2 .....

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Total for Question 4 = 4 marks

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Household debt is at its highest level in a decade. Many families are struggling to pay back money they have borrowed. Shekemi has recently taken out a loan for a new car but is worried that she might not be able to keep up the repayments.

5 Discuss why it is important for Shekemi to avoid getting into unmanageable debt.

Area for writing the answer to Question 5, featuring horizontal dotted lines.

Total for Question 5 = 6 marks

Nick has asked for advice on opening a current account.

Nick has gained a place at university, starting in September. Nick's home is 100 miles away, so he will need to live in university accommodation. He currently works part time at McDonald's and has managed to save over £2,000. His student loan and these savings will be used to pay for his accommodation costs.

Nick has been able to transfer his job to a McDonald's near the university but won't be able to start working there until December. He is concerned about the costs of starting university, such as rent and textbooks for his course, and realises that he may need to borrow money until his job starts.

He likes to socialise and is not keen on cooking his own food.

This table gives information on bank current accounts.

Table 1: Summary of bank current accounts for students					
Provider	Credit interest	Interest free overdraft	Additional overdraft	Unauthorised overdraft	Incentives
HSBC	0%	Up to £3,000	N/A	Fixed penalty between £25 and £150	£60 Amazon voucher £70 off a Kindle Fire
Lloyds	2% up to £1,000	Up to £1,500	8.21%	£5 daily charge	Free NUS Extra discount card
Natwest	0%	Up to £1,500	N/A	N/A	Tastecard – 50% off food at certain restaurants
Santander	3% up to £3,000	Up to £2,000	N/A	£5 per day	Free four-year 16–25 Railcard

6 Evaluate which student current account would be most suitable for Nick.

A large rectangular area with horizontal dotted lines, intended for writing an answer to the question above.

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Total for Question 6 = 12 marks  
**TOTAL FOR SECTION A = 28 MARKS**

**SECTION B: Business Finance**

**Answer all questions. Write your answers in the spaces provided.**

**You are advised to spend at least 75 minutes on this section.**

**7** Give **two** types of intangible non-current assets.

1 .....

2 .....

Total for Question 7 = 2 marks

**8** Identify **two** causes for a change in capital for a sole trader.

1 .....

2 .....

Total for Question 8 = 2 marks

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9 Describe how capital expenditure is treated in the financial statements of a business.

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Total for Question 9 = 2 marks

Tye runs a business which sells a magazine. He has worked out the following figures for the magazine he is going to sell. He estimates that they can sell 20,000 magazines a year, with a selling price of £3.50 each.

He expects the business' fixed costs to be £5 000 per annum with annual rent to be a further £6,000. Raw materials and staff wages to produce all the magazines will cost £30 000 per annum.

10 (a) Calculate the expected mark up ratio.

3 marks

Show your workings

£ .....

(b) Calculate the expected profit margin ratio.

3 marks

Show your workings

£ .....

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(c) Calculate the expected margin of safety for the **year**.

4 marks

Show your workings

£ .....

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(d) Discuss how useful knowing the margin of safety will be to Tye in running his business.

6 marks

A large rectangular area containing 20 horizontal dotted lines for writing the answer.

Total for Question 10 = 16 marks

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Connor has recently taken over the family cheese-making business *Classic Cheese* after his mum decided to retire. The business has been very successful recently and has been featured on several 'real food' programmes on television as well as securing a two-year deal with a national supermarket chain. Connor is looking to expand the business.

You have recently been hired by Connor to help with the financial side of the business and to take the lead on the expansion. Connor has provided you with some financial information.

Extract of financial information for <i>Classic Cheese</i>	
	£
Closing inventories	49 105
Opening inventories	36 325
Credit Sales revenue	950 347
Purchases	348 973
Gross profit	613 843
Trade payables	13 465
Trade receivables	156 221

11 (a) Calculate the inventory turnover.

4 marks

Show your workings

£ .....

Connor is concerned with the decline of his inventory turnover ratio from the previous year. He is thinking of reducing his prices to improve the inventory turnover of *Classic Cheese*.

(b) Assess whether reducing his prices can help improve the inventory turnover ratio of *Classic Cheese*.

8 marks

A large rectangular area containing horizontal dotted lines for writing the answer to question (b).

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Connor has partly completed a cash flow forecast for *Classic Cheese*.

(c) Complete Connor's cash flow forecast for items (i) to (vi).

6 marks

	January	February	March	April
<b>Inflows</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash Sales	(i) .....	45 782	48 263	43 567
Credit Sales	28 352	102 516	35 823	98 912
Loan	0	0	280 000	0
<b>Total income</b>	67 278	148 298	(v) .....	141 759
<b>Outflows</b>				
Credit Purchases	77 345	58 854	57 462	61 387
Wages	24 500	24 500	24 500	24 500
Non-current asset	320 000			
Utilities	3 978			4 328
Other	5 400	3 987	4 532	4 876
<b>Total expenditure</b>	(ii) .....	87 341	86 494	95 091
<b>Net cash flow</b>	(363 945)	(iv) .....	277 592	46 668
<b>Opening balance</b>	(iii) .....	(353 945)	(vi) .....	(15 396)
<b>Closing balance</b>	(353 945)	(292 988)	(15 396)	31 272

As part of the *Classic Cheese* expansion plan Connor intends to purchase some non-current assets in January. He will take out a loan in March to improve his cash flow. Connor usually bulk buys his raw materials to earn a discount. Many of his customers are supermarkets who insist on extended credit periods before they pay *Classic Cheese*.

Connor is concerned with the liquidity of the business over the forthcoming months based on the projections in 11c. His bank manager has advised him that the overdraft will not be allowed to exceed £100,000 at any time.

(d) Evaluate potential solutions to help improve the liquidity of *Classic Cheese*.

12 marks

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Total for Question 11 = 30 marks

**END OF EXAM**

**TOTAL FOR SECTION B = 52 MARKS**  
**TOTAL FOR PAPER = 80 MARKS**

# Unit 3: Personal and Business Finance - Sample mark scheme

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## General marking guidance

- All learners must receive the same treatment. Examiners must mark the first learner in exactly the same way as they mark the last.
- Mark grids should be applied positively. Learners must be rewarded for what they have shown they can do rather than be penalised for omissions.
- Examiners should mark according to the mark grid, not according to their perception of where the grade boundaries may lie.
- All marks on the mark grid should be used appropriately.
- All the marks on the mark grid are designed to be awarded. Examiners should always award full marks if deserved. Examiners should also be prepared to award zero marks if the learner's response is not rewardable according to the mark grid.
- Where judgement is required, a mark grid will provide the principles by which marks will be awarded.
- When examiners are in doubt regarding the application of the mark grid to a learner's response, a senior examiner should be consulted.

## Specific marking guidance for levels-based mark schemes

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Levels-based mark schemes (LBMS) have been designed to assess candidates' work holistically. They consist of two parts: indicative content and levels-based descriptors. Indicative content reflects specific content-related points that candidates might make. Levels-based descriptors articulate the skills that candidates are likely to demonstrate in relation to the skills being assessed in the question. The levels represent the progression of these skills.

When using a levels-based mark scheme, the 'best fit' approach should be used.

- Examiners should first make a holistic judgement on which band most closely matches candidates' response and place it within that band. Candidates will be placed in the band that best describes their answer.
- The mark awarded within the band will be decided based on the quality of the answer in response to the level descriptor, and will be modified according to how securely all traits are displayed at that band.
- Marks will be awarded towards the top or bottom of that band, depending on how they have evidenced each of the descriptor bullet points.

## Section A: Personal Finance

Question number	Answer	Mark
1	<p>Award <b>one</b> mark for each feature identified, up to a maximum of <b>two</b> marks:</p> <ul style="list-style-type: none"> <li>• pay a monthly fee <b>(1)</b></li> <li>• phone insurance <b>(1)</b></li> <li>• travel insurance <b>(1)</b></li> <li>• membership discount <b>(1)</b></li> <li>• breakdown cover <b>(1)</b></li> <li>• cinema tickets <b>(1)</b></li> <li>• free overdraft <b>(1)</b>.</li> </ul> <p>Accept any other reasonable answer.</p>	(2)

Question number	Answer	Mark
2	<p>Award up to <b>two</b> marks for a description of the role of the ombudsman:</p> <ul style="list-style-type: none"> <li>• acts as an independent assessor <b>(1)</b> when dealing with complaints between consumers and financial service providers <b>(1)</b></li> <li>• a free service set up by Parliament <b>(1)</b> to enable those who are less well-off to still be able to take action against financial service providers <b>(1)</b>.</li> </ul> <p>Accept any other correct answer.</p>	(2)

Question number	Answer	Mark
3	<p>Award <b>one</b> mark for identification of a feature of pre-paid credit cards and <b>one</b> mark for a reason why they are useful on holiday:</p> <ul style="list-style-type: none"> <li>• it allows you to take money on holiday in a safe and secure way <b>(1)</b> because if the pre-paid credit card is stolen it cannot be used without the PIN <b>(1)</b></li> <li>• it will allow you to control spending <b>(1)</b> as the card will be up to a fixed amount <b>(1)</b></li> <li>• can act as a budget <b>(1)</b> and money not spent can be returned <b>(1)</b>.</li> </ul> <p>Accept any other correct answer.</p>	(2)



Question number	Answer	Mark
4	<p>Award <b>one</b> mark for identification of an advantage of buying shares in a business and <b>one</b> mark for a reason why they are an advantage:</p> <ul style="list-style-type: none"> <li>• your personal belongings are not at risk <b>(1)</b> because you will only lose your initial investment <b>(1)</b></li> <li>• if the company makes a profit, dividends are likely to be paid to shareholders <b>(1)</b> so they could get a regular income each year <b>(1)</b>.</li> <li>• the share price could go up <b>(1)</b> meaning the investment is worth more money <b>(1)</b>.</li> </ul> <p>Accept any other correct answer.</p>	(4)

Question number	Answer
5	<p><b>Indicative content</b></p> <ul style="list-style-type: none"> <li>• Because debt could be very expensive due to interest payments and bank charges.</li> <li>• Could cause stress.</li> <li>• Could give a bad credit rating.</li> <li>• Which may mean it will be more difficult to borrow money in the future as the normal high street providers might not lend, so your choice of product may be limited.</li> <li>• Might have to go to other more expensive providers.</li> <li>• May not be able to get the best deals as seen as a risk.</li> <li>• Could lead to bankruptcy.</li> </ul>

Level	Mark	Descriptor
	0	No rewardable material
1	1-2	<ul style="list-style-type: none"> <li>• Demonstrates isolated knowledge and understanding of relevant information; there may be major gaps or omissions.</li> <li>• Provides little evidence of weighing up of competing arguments/pros and cons in context; discussion likely to consist of basic description of information.</li> <li>• Meaning may be conveyed but in a non-specialist way; response lacks clarity and fails to provide an adequate answer to the question.</li> </ul>
2	3-4	<ul style="list-style-type: none"> <li>• Demonstrates accurate knowledge and understanding of relevant information with a few gaps or omissions.</li> <li>• Discussion is partially developed, but will be imbalanced. Evidences the weighing up of competing arguments/pros and cons in context.</li> <li>• Demonstrates the use of logical reasoning, clarity, and appropriate specialist technical language.</li> </ul>
3	5-6	<ul style="list-style-type: none"> <li>• Demonstrates accurate and thorough knowledge and understanding of relevant information; any gaps or omissions are minor.</li> <li>• Displays a well-developed and balanced discussion, demonstrating a thorough grasp of competing arguments/pros and cons in context.</li> <li>• Logical reasoning evidenced throughout response which is clear and uses specialist technical language consistently.</li> </ul>

Question number	Answer
6	<p><b>Indicative content</b></p> <ul style="list-style-type: none"> <li>• Lloyds and Santander will pay interest on credit balances in the current account.</li> <li>• Santander offers the highest interest of 3% and up to the highest amount. However, he might not have the amount of money but he will be getting some reward.</li> <li>• All four providers offer a 0% free overdraft, with HSBC offering the largest at £3,000. This is good because Nick won't have to pay interest, but he might not like this as it might encourage him to spend more than he needs.</li> <li>• Only one provider, Lloyds, allows him to extend his overdraft. This would give Nick flexibility if he needs it, but he would have to pay 8% interest.</li> <li>• Three providers charge high fees for an unauthorised overdraft.</li> <li>• All four providers give offers, but probably the best offer may be the Railcard with Santander as it will help him save money travelling to and from University.</li> </ul>

Level	Mark	Descriptor
	0	No rewardable material
1	1-3	<ul style="list-style-type: none"> <li>• Demonstrates isolated knowledge and understanding of relevant information; there may be major gaps or omissions.</li> <li>• Provides little evidence of application and links between relevant information. Evaluation likely to consist of basic description of information.</li> <li>• Conclusions may be presented, but are likely to be generic assertions rather than supported by evidence.</li> <li>• Meaning may be conveyed but in a non-specialist way; response lacks clarity and fails to provide an adequate answer to the question.</li> </ul>
2	4-6	<ul style="list-style-type: none"> <li>• Demonstrates accurate knowledge and understanding of relevant information with a few omissions.</li> <li>• Evidence of application demonstrating some linkages and interrelationships between factors leading to a judgement/judgements being made.</li> <li>• Evaluation is presented leading to conclusions but some may be lacking support.</li> <li>• Demonstrates the use of logical reasoning, clarity, and appropriate specialist technical language.</li> </ul>
3	7-9	<ul style="list-style-type: none"> <li>• Demonstrates accurate knowledge and understanding of relevant information with a few minor omissions.</li> <li>• Evidence of application demonstrating linkages and interrelationships between factors leading to a supported judgement/judgements being made.</li> <li>• Displays a balanced evaluation demonstrating an awareness of competing arguments, leading to conclusions.</li> <li>• Demonstrates the use of logical reasoning, clarity, and appropriate specialist technical language.</li> </ul>

<b>Level</b>	<b>Mark</b>	<b>Descriptor</b>
4	10-12	<ul style="list-style-type: none"> <li>• Demonstrates accurate and thorough knowledge and understanding of relevant information; any gaps or omissions are minor.</li> <li>• Evidences thorough application leading to balanced evaluation drawing on linkages and interrelationships between factors.</li> <li>• Displays a well-developed, balanced and coherent evaluation, demonstrating a thorough grasp of competing arguments, leading to supported conclusions.</li> <li>• Logical reasoning evidenced throughout response which is clear and uses specialist technical language consistently and fluently.</li> </ul>

## Section B: Business Finance

Question number	Answer	Mark
7	<p>Award <b>one</b> mark for each type given, up to a maximum of <b>two</b> marks:</p> <ul style="list-style-type: none"> <li>• goodwill <b>(1)</b></li> <li>• patents <b>(1)</b></li> <li>• trademarks <b>(1)</b></li> <li>• brand names <b>(1)</b>.</li> </ul> <p>Accept any other reasonable answer.</p>	(2)

Question number	Answer	Mark
8	<p>Award <b>one</b> mark for each correct cause identified, up to a maximum of <b>two</b> marks:</p> <ul style="list-style-type: none"> <li>• profit <b>(1)</b></li> <li>• loss <b>(1)</b></li> <li>• drawings <b>(1)</b></li> <li>• capital injection <b>(1)</b>.</li> </ul>	(2)

Question number	Answer	Mark
9	<p>Award <b>one</b> mark for each correct treatment, up to a maximum of <b>two</b> marks:</p> <ul style="list-style-type: none"> <li>• capital expenditure is treated as a non-current asset in the statement of financial position <b>(1)</b> and is depreciated in the statement of comprehensive income each year over the assets expected lifetime <b>(1)</b></li> <li>• capital expenditure is where we write off the expense of a non-current <b>(1)</b> asset over a number of financial periods <b>(1)</b>.</li> </ul> <p>Accept any other reasonable answer.</p>	(2)

Question number	Answer	Mark
10 a)	<p>Award <b>three</b> marks for 133.33%</p> <p>Accept rounding e.g. 133%</p> <p><b>OR</b></p> <p>Award <b>two</b> marks for formula in figures which could be either:</p> <p><math>(2/1.5 \times 100)</math> or <math>(40\ 000 / 30\ 000 \times 100)</math></p> <p><b>OR</b></p> <p>Award <b>one</b> mark for formula in words</p> <p>Gross profit / Cost of Sales x 100</p> <p><b>AND</b></p> <p>Award <b>one</b> mark for calculation of contribution of £2 (unit profit)</p> <p><b>OR</b></p> <p>Award <b>one</b> mark for calculation of gross profit of £40 000</p>	(3)

Question number	Answer	Mark
10 b)	<p>Award <b>three</b> marks for 41.43%</p> <p>Accept rounding e.g. 41% or 41.4%</p> <p><b>OR</b></p> <p>Award <b>two</b> marks for formula in figures</p> <p><math>29\ 000 / 70\ 000 \times 100</math></p> <p><b>OR</b></p> <p>Award <b>one</b> mark for formula in words</p> <p>Profit for the year / Sales revenue x 100</p> <p><b>AND</b></p> <p>Award <b>one</b> mark for calculation of profit of £29 000</p>	(3)

Question number	Answer	Mark
10 c)	<p>Award <b>four</b> marks for 14 500</p> <p><b>OR</b></p> <p>Award <b>three</b> marks for formula in figures</p> <p>20 000 – 5 500  20 000 - (11 000 / (3.50-1.50))</p> <p><b>OR</b></p> <p>Award <b>two</b> marks for break-even quantity of 5 500</p> <p><b>OR</b></p> <p>Award <b>one</b> mark for break-even formula in figures of words</p> <p>break-even: fixed cost/contribution per unit</p> <p><b>OR</b></p> <p>11,000/(3.50 – 1.50)</p> <p><b>OR</b></p> <p>11 000 /2</p>	(4)

Question number	Answer
10 d)	<p><b>Indicative content</b></p> <p><b>Advantages</b></p> <ul style="list-style-type: none"> <li>• Knows how much sales can fall by before he could start to make a loss.</li> <li>• Can perform marketing activities if he thinks this is not achievable.</li> <li>• Can make adjustments to his selling price to adjust the margin of safety if he feels this is not enough.</li> <li>• Can try to negotiate on purchase costs if he feels the margin of safety is too low.</li> </ul> <p><b>Disadvantages</b></p> <ul style="list-style-type: none"> <li>• All figures are predictions so may not be entirely accurate – particularly the further into the future you try to go.</li> <li>• Does not consider external factors – competitors could enter his market forcing potential price cuts.</li> <li>• Fixed costs do not stay fixed and could increase in the future.</li> </ul>

Level	Mark	Descriptor
	0	No rewardable material
1	1-2	<ul style="list-style-type: none"> <li>• Demonstrates isolated knowledge and understanding of relevant information; there may be major gaps or omissions.</li> <li>• Provides little evidence of weighing up of competing arguments/pros and cons in context; discussion likely to consist of basic description of information.</li> <li>• Meaning may be conveyed but in a non-specialist way; response lacks clarity and fails to provide an adequate answer to the question.</li> </ul>
2	3-4	<ul style="list-style-type: none"> <li>• Demonstrates accurate knowledge and understanding of relevant information with a few gaps or omissions.</li> <li>• Discussion is partially developed, but will be imbalanced. Evidences the weighing up of competing arguments/pros and cons in context.</li> <li>• Demonstrates the use of logical reasoning, clarity, and appropriate specialist technical language.</li> </ul>
3	5-6	<ul style="list-style-type: none"> <li>• Demonstrates accurate and thorough knowledge and understanding of relevant information; any gaps or omissions are minor.</li> <li>• Displays a well-developed and balanced discussion, demonstrating a thorough grasp of competing arguments/pros and cons in context.</li> <li>• Logical reasoning evidenced throughout response which is clear and uses specialist technical language consistently.</li> </ul>



Question number	Answer	Mark
11 a)	<p>Award <b>four</b> marks for 46.375 days</p> <p>Accept 46 days  Accept 46.3 days  Accept 46.4 days  Accept 47 days</p> <p><b>OR</b></p> <p>Award <b>three</b> marks for formula in numbers  <math>42\,715 / 336\,193 \times 365</math></p> <p><b>OR</b></p> <p>Award <b>one</b> mark for formula in words  (Average stock/Cost of sales) <math>\times</math> 365</p> <p><b>AND</b></p> <p>Award <b>one</b> mark for average stock calculation</p> <p>Average stock = <math>(36\,325 + 49\,105) / 2 = 42\,715</math></p> <p><b>AND</b></p> <p>Award <b>one</b> mark for cost of sales calculation</p> <p>Cost of sales = <math>(36,325 + 348,973 - 49,105) = 336,193</math></p>	(4)

Question number	Answer
11 b)	<p><b>Indicative content</b></p> <p><b>Advantages</b></p> <ul style="list-style-type: none"> <li>• Reducing prices could stimulate demand and attract new customers.</li> <li>• Could be selective on which products and only reduce prices on products which he wished to clear and not replace.</li> <li>• Could attract new customers with the lower prices.</li> </ul> <p><b>Disadvantages</b></p> <ul style="list-style-type: none"> <li>• He would make a smaller profit per unit so it could reduce overall profit.</li> <li>• Might not stimulate demand.</li> <li>• If he buys more stock to replace them his inventory turnover may not improve.</li> </ul>

Level	Mark	Descriptor
	0	No rewardable material
1	1-3	<ul style="list-style-type: none"> <li>• Demonstrates isolated knowledge and understanding of relevant information; there may be major gaps or omissions.</li> <li>• Provides little evidence of application and links between relevant information. Assessment likely to consist of basic description of information.</li> <li>• Judgements on significance may be presented, but are likely to be generic assertions rather than supported by evidence.</li> <li>• Meaning may be conveyed but in a non-specialist way; response lacks clarity and fails to provide an adequate answer to the question.</li> </ul>
2	4-6	<ul style="list-style-type: none"> <li>• Demonstrates accurate knowledge and understanding of relevant information with a few omissions.</li> <li>• Evidence of application demonstrating some linkages and interrelationships between factors leading to a judgement/judgements being made.</li> <li>• Assessment is presented leading to judgements on significance but some may be lacking support.</li> <li>• Demonstrates the use of logical reasoning, clarity, and appropriate specialist technical language.</li> </ul>
3	7-8	<ul style="list-style-type: none"> <li>• Demonstrates accurate and thorough knowledge and understanding of relevant information; any gaps or omissions are minor.</li> <li>• Evidences thorough application containing linkages and interrelationships between factors leading to a judgement/judgements being made.</li> <li>• Displays a well-developed and balanced assessment leading to rationalised judgements on significance.</li> <li>• Demonstrates the use of logical reasoning, clarity, and appropriate specialist technical language.</li> </ul>

Question number	Answer	Mark
11 c)	(i) 38 926 (ii) 431 223 (iii) 10 000 (iv) 60 957 (v) 364 086 (vi) (292 988)	(6)

Question number	Answer
11 d)	<p><b>Indicative content</b></p> <ul style="list-style-type: none"> <li>• Based on the forecast Connor will exceed his overdraft facility which could result in bank fees or failed payments to suppliers or staff. This could mean suppliers could then refuse to supply the company/work for the company which could affect production and thus future sales.</li> <li>• Liquidity is worsened by the amount of credit sales from the supermarket. They may try to reduce the credit period (but supermarkets have buying power and may take their business elsewhere).</li> <li>• Purchase of non-current asset significantly impacted on liquidity negatively.</li> <li>• The loan was taken out around two months after the purchase of the non-current asset. It would make more sense to borrow the money before purchasing the non-current asset to reduce the overdraft fees in January and February.</li> <li>• Could consider leasing the non-current asset to reduce outflows and avoid overdraft fees but this could prove more expensive than buying it.</li> <li>• The inflows from credit sales are very irregular and they may consider ways to get more consistent inflows.</li> <li>• No clear link between credit sales and credit purchases. Could try to buy smaller amounts and purchase these on credit to match trade payable payments with monies from trade receivables.</li> <li>• Needs to find a source of finance from somewhere to resolve cash flow problems.</li> </ul>

Level	Mark	Descriptor
	0	No rewardable material
1	1-3	<ul style="list-style-type: none"> <li>• Demonstrates isolated knowledge and understanding of relevant information; there may be major gaps or omissions.</li> <li>• Provides little evidence of application and links between relevant information. Evaluation likely to consist of basic description of information.</li> <li>• Conclusions may be presented, but are likely to be generic assertions rather than supported by evidence.</li> <li>• Meaning may be conveyed but in a non-specialist way; response lacks clarity and fails to provide an adequate answer to the question.</li> </ul>

<b>Level</b>	<b>Mark</b>	<b>Descriptor</b>
2	4-6	<ul style="list-style-type: none"> <li>• Demonstrates accurate knowledge and understanding of relevant information with a few omissions.</li> <li>• Evidence of application demonstrating some linkages and interrelationships between factors leading to a judgement/judgements being made.</li> <li>• Evaluation is presented leading to conclusions but some may be lacking support.</li> <li>• Demonstrates the use of logical reasoning, clarity, and appropriate specialist technical language.</li> </ul>
3	7-9	<ul style="list-style-type: none"> <li>• Demonstrates accurate knowledge and understanding of relevant information with a few minor omissions.</li> <li>• Evidence of application demonstrating linkages and interrelationships between factors leading to a supported judgement/judgements being made.</li> <li>• Displays a balanced evaluation demonstrating an awareness of competing arguments, leading to conclusions.</li> <li>• Demonstrates the use of logical reasoning, clarity, and appropriate specialist technical language.</li> </ul>
4	10-12	<ul style="list-style-type: none"> <li>• Demonstrates accurate and thorough knowledge and understanding of relevant information; any gaps or omissions are minor.</li> <li>• Evidences thorough application leading to balanced evaluation drawing on linkages and interrelationships between factors.</li> <li>• Displays a well-developed, balanced and coherent evaluation, demonstrating a thorough grasp of competing arguments, leading to supported conclusions.</li> <li>• Logical reasoning evidenced throughout response which is clear and uses specialist technical language consistently and fluently.</li> </ul>



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