**What is needed to answer each type of question on the Unit 3 Finance Paper?**

**1 or 2 mark questions**

**Give, identify** or **State** a point, short accurate answer or definition. No explanation required.

Question: Give 2 different types of bank account

**Answer** 1 Standard

2 Packaged premium

**4 mark questions**

**Outline** - point + explanation required. 1 mark for each point, 1 mark for each development

Question: Outline two benefits of online banking

**Answer** Can save money – price comparison websites can help to find a good deal

Easy to access – information available 24/7

**6 mark questions**

**Discuss** or **Assess** – analysis only, no evaluation required. The marks awarded should correspond roughly to the number of points you should make. For a 6 mark question you might make 3 points for and 3 points against. If only 2 clear points on either side make sense, just do 2.

**Question**: Discuss the advantages and disadvantages to a small business of using contactless payment cards

**Answer**: 3 advantages (no PIN, accepted in many places, quick and easy)

3 disadvantages (max £30 per transaction reduces flexibility, risk of fraud if card is stolen, easy spending may lead to debt)

**8 mark questions**

Often mini case study. Same approach as the 6 mark but answers must be in context. Eg, short description of a person with their age, income etc should he put spare money into a savings account or invest in shares

**Question**: Assess which of these two options is best for the person

**Answer**: Savings account – 2 x advantages and 2 x disadvantages

Investing in shares– – 2 x advantages and 2 x disadvantages

**10 mark questions**

Often mini case study. Same approach as the 8 mark. Probably a slightly more detailed case study and maybe 4-5 points on either side of an argument required OR points made in slightly more depth.

All points made must be in context and explained/developed.

**Question**: A table given showing FC, VC, SP and current and projected sales for a small successful co. in the highly competitive wedding planning market

Assess the effects of lowering the selling price

**Answer**s: Effects on price lowering advantages and disadvantages to be explained in context of price competitive market. Range of points to be discussed – about 8 points could be made here – a couple each on Sales and Revenue/Breakeven/FC impact/Contribution

**12 mark questions**

Evaluate. Same approach as the 8 and 10 mark question but a **conclusion needed**. Justification of your recommendation/judgement. Well balanced judgement that is the conclusion of a developed argument. Likely to be a number of advantages and disadvantages (maybe 4 & 4) with a judgement.