**Unit 3:** Personal and Business Finance

Revision Booklet - **ANSWERS**

**Learning Aim A:** Understand the importance of managing personal finance.

**The Functions of Money**

**Revision Task 1:** Match the following **functions of money** with their corresponding explanation.

Unit of Account Means of Exchange Store of Value Legal Tender

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| **Function of Money** | **Explanation** |
| Means of Exchange | Enables businesses to trade with other business and customers. |
| Store of Value | It allows businesses and customers to use it in the future as it keeps its value. |
| Unit of Account | It allows a monetary value to be placed on goods and services. |
| Legal Tender | It is a recognised method of payment. |

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| **Question Number** | **Answer** | **Mark** |
| **1** | Award **one** mark for any of the following up to a maximum of two marks: unit of account (1) means of exchange (1) store of value (1) legal tender (1) deferred payment (1)  | **2** |

**Revision Task 2:**

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| **Factor** | **Description** |
| **External Influences** | The Economy can impact on an individual’s view of money. During a recession jobs are difficult to find and this can make individuals cautious whereas during periods of growth individuals can be more willing to take on debt. |
| **Interest Rates** | The interest rates set by the Bank of England can have an impact on individuals’ attitude to money. If interest rates are high, individuals are more likely to save and less likely to buy items on credit. If interest rates are low the opposite is true. |
| **Culture** | Different cultures and religious beliefs can influence individuals attitude to money e.g. The Chinese used to have a culture of saving but this has changed recently with younger generations buying shares and purchasing items on credit.  |
| **Life Events** | Key events in an individual’s life can change their view of money e.g. saving for a wedding or changing financial plans after staring a family.  |
| **Personal Attitudes** | Individuals have different attitudes to risk and reward. Some individuals save money and avoid credit others will have little or no savings and buy numerous items on credit. |
| **Life Stages** | Individuals financial needs change as they move different stages of their life. Middle Aged individuals may need to obtain finance to move home whereas during old age individuals may downsize their properties to a smaller house and pass on funds to children or grandchildren. |

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| **Question Number** | **Answer** | **Mark** |
| **2** | Award **one** mark for any of the following up to a maximum of two marks: Personal Attitudes (1), Life Stages (1), Culture (1), Life Events (1), External Influences (1), Interest Rates (1). | **2** |

**Revision Task 3:** Life stages (childhood, adolescence, young adult, middle age, old age) key features of each stage, financial needs and implications at each stage.

Match the following financial needs and Implications with the life stages table.

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| **Life Stage** | **Financial Needs** | **Implications** |
| Childhood | Reliant on Parents and therefore limited financial needs beyond pocket money. | Too young to work and therefore reliant on pocket money or receiving money as part of birthday gifts. Parents may try to encourage saving. |
| Adolescence | May have a part time job and therefore may be less reliant on parents. Now have a desire to be more independent from parents and seeking money for socialising with friends. | May be employed or looking for part time work.May still rely on pocket money. |
| Young Adult | May be looking for money to fund university course, or to pay a deposit for a flat or car.  | May apply for a student loan to fund university. May take out a loan for a car or a mortgage to buy a property. |
| Middle Age | May need money to support family members, saving for children to go to university, may need extra money to fund a move to a larger house due to growing family. | May apply to set up a saving account for children’s education. May apply for a new mortgage to fund move to larger house.  |
| Old Age | May have assets such as a house or flat but low levels of cash. May need money to pay for health care. | Mortgage may be paid off. May need to sell property to pay for health care.May find it difficult to obtain loans. |

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| **Question Number** | **Answer** | **Mark** |
| **3** | Award **one** mark for any of the following up to a maximum of two marks: May need to remortgage house to pay for university or marriage costs of children (1)May set up a saving account to cover future university or marriage costs of children (1)May start to spend money on own lifestyle demands such as a new car or exotic holidays as children grow up and can now earn to cover their future expenditure. (1) | **2** |

**Revision Task 4:** Planning Expenditure ––Fill the gaps using the following words:

**debt credit rating bankrupt over spending too high solvent interest**

Individuals will consider many principles when planning their expenditure. They will be keen to avoid .**over spending** as this can place them into financial difficulties. By controlling their costs individuals can avoid getting into **debt** If an individual’s expenditure is **too high** .then they may be paying more money out than they are receiving. Entering into debt will be expensive for the individual because they will be charged **interest** on the money they owe. If these debts are not paid then it will affect the individual’s **credit rating** and this will impact of their ability to borrow in the future. If the debts are not fully paid as requested then this can lead to the individual being declared **bankrupt**.

When planning expenditure an individual aims to remain **solvent** which means they can meet their day to day expenditure and repay their loans.

**Different Ways to Pay – A2**

One key function of money is its ability to be used as a means of exchange enabling individuals to use it to buy things. There are however many different methods of payment.

**Revision Task 5:** Match the following method of payment with its corresponding definition.

Cash Debit Card Credit Card Cheque Electronic Transfer Direct Debit Standing Order

Pre-Paid Card Contactless Card Charge Card Store Card

 Mobile Banking BACS CHAPS

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| **Method of Payment** | **Definition** |
| Cash | Includes notes and coins of different amounts (denominations). |
| Standing Order | An agreement by the owner of the bank account and their bank to allow a third party to withdraw a fixed sum of money from their account on a certain. |
| Cheque | A written document instructing the bank to make a payment from one person’s bank account to another. |
| Mobile Banking | The ability to complete banking transactions on mobile devices and internet connected computers. |
| Store Card | Similar to a credit card but can only be used in certain stores. The owner can use the card to buy items from that store on credit. |
| Debit Card | A card issued by banks to be used to purchase goods and services with payment taken directly from the users current accounts. |
| Electronic Transfer | When financial payments are electronically transferred from one bank account to another. |
| Banker’s Automated Clearing Service | A system which enables transfers from one bank account to another, known as BACS. |
| Direct Debit | An agreement by the owner of the bank account and their bank to allow a third party to withdraw money from their account on a certain.  |
| Contactless Card | A card which contains technology to enable it to be touched on a contactless terminal and for funds to be withdrawn. |
| Credit Card | Issued by financial institutions allowing goods and services to be purchased with payment delayed. |
| Clearing House Automated Payment Systems | A system which enables transfers from one bank account to another, known as CHAPS. |
| Charge Card | Issued by financial institutions to enable customers to delay payment for a certain period. The balance has to be paid in full once the statement has been received. |
| Pre-Paid Card | A card with money already transferred onto it, payments can be made until all the money has been used. |

**Revision Task 6:**

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| **Method of Payment** | **Advantage** | **Disadvantage** |
| Cash | Most acceptedHelps people budget as they can touch the money and see how much they spent. | Can be lostCan be forgedCannot be used online |
| Debit Card | SecureCan be used online | Delay in transactions being shown on customers account – can lead to overspending. |
| Credit Card | Some protection on purchasesOne month free credit. | Can encourage overspending.Interest is charged |
| Cheque | Used for postal transactionsCan only be cashed by named payee | Time delay in cheque being written and transaction shown on customers account – old fashioned |
| Electronic Transfer | Almost immediate payment | Need to ensure correct account details are used. |
| Direct Debit | Quick to set up Ideal for regular payment e.g. phone bill and other utilities.  | Some utility companies take too much e.g. estimated cost of electricity. |
| Standing Order | Easy to set up and cancel.Ideal for regular payments of same amount e.g. rent. | Payments continue until cancelled. |
| Pre-Paid Card | Ideal for children to limit their expenditure. | Can be like cash, if lost there is no way to reclaim lost funds. |
| Contactless Card | Secure payment. | Only used for small value amounts. |
| Charge Card | Provides short term credit | Has to be paid off in full each month. |
| Store Card | Provides short term credit | Can only be used in one store.May encourage overspending. |
| Mobile Banking | Quick and easy | Need to be aware of online scams and maintain high security. |
| BACS | Quick payment, often within 2 hours | Limits to the size of funds which can be transferred may be imposed. |
| CHAPS | There is no limit on the size of funds which can be transferred.Quick Like BACS | Sometimes a charge is applied for the transaction. |

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| **Question Number** | **Answer** | **Mark** |
| **4** | Award **one** mark for any of the following up to a maximum of two marks: Provides a short period of interest free credit, usually 1 month (1)Discounts are sometimes limited to customers who use store cards (1)Some store cards are linked to loyalty schemes, offering future discounts or other advantages to the card owner (1). | **2** |

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| **Question Number** | **Answer** | **Mark** |
| **5** | Award **one** mark for any of the following up to a maximum of two marks: Only really appropriate for small financial transactions, customers are unlikely to pay for high value items such as cars or houses with cash (1)There is a risk of theft, once the cash is stolen it is difficult to identify who has the money and there is little chance of compensation. (1)Cash cannot be used to pay for online purchases. (1)Cash is not a secure payment method when making postal purchases, cash sent through the post has a high risk of being stolen. (1) | **2** |

**Revision Task 7:**

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| **Features of Account** | **Advantages of Account** | **Disadvantages of Account** |
| **Standard**Available to customers with reasonable credit rating.Usually includes cheque book, debit card, pre-agreed overdraft, interest paid on positive amounts. | Offers wide range of features e.g. cheque book, debit card and sometimes overdraft facility. Ideal for regular payments such as wages and regular withdrawals such as rent, utility bills. | Interest on overdraftCharges for unauthorised overdraft. |
| **Packaged Premium**Available to customers with certain criteria e.g. minimum savings level, minimum monthly cash paymentsOffers additional features such as house insurance, credit card protection, holiday insurance.The bank may charge for these accounts. | Offers wide range of features e.g. cheque book, debit card and sometimes overdraft facility. Ideal for regular payments such as wages and regular withdrawals such as rent, utility bills.Contains perks such as house insurance, credit card protection, holiday insurance, often at cheaper rates. | A monthly charge often applies to these accounts. |
| **Basic**Available to individuals who have difficulties obtaining bank accounts due to poor credit rating. These accounts will not provide overdraft or pay interest on positive balances. | Ideal for customers who have difficulty obtaining bank accounts due to poor credit rating. | No debit card or overdraft facility. |
| **Student**Account designed for students.Offer certain incentives such as free rail travel, or vouchers for music / books.May include interest free overdraft for 3 years. | Incentives are designed to appeal to the customer. | Free overdraft may encourage overspending.High charges once agreed overdraft has been exceeded. |

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| **Question Number** | **Indicative Content** | **Mark** |
| **6** | * **Santander and Nationwide will pay interest on credit balances in the current account – likely Maria will have credit balance due to frugal nature and savings from work.**

* **Santander has the highest interest on credit balances. Likely Maria will have more than £300 – may stay at this level due to living at home and not having to pay rent.**
* **All four providers offer an interest free overdraft.**
* **Nationwide provide the largest overdraft – however Maria doesn’t like borrowing and therefore it is unlikely this would be a key feature for her.**
* **Santander, Lloyds and Co-Operative provide incentives. Santander’s railcard will be of interest as Maria wants to visit her friend who has moved away. The 15% discount on retailers provided by Lloyds is unlikely to be of interest as Maria doesn’t spend lots of money on clothes and DVDs. Similarly the Co-operatives Amazon voucher and Prime discount do not seem to match Maria’s character.**
* **Santander, Lloyds and Co-operative apply for charges for unauthorised overdrafts – unlikely that this will apply to Maria – she has savings, has part time work and will live rent free at home. Her frugal nature means it is unlikely she will have large expenditure that would cause her to go beyond the planned overdraft.**
 | **(12)** |
| **Level** | **Mark** |  |
|  | **0** | No rewardable material |
| **1** | **1-3** | * Demonstrates isolated knowledge and understanding of relevant information; there may be major gaps or omissions.
* Provides little evidence of weight up of competing arguments / pros and cons in context; discussion likely to consist of basic description of information.
* Meaning may be conveyed but in a non-specialist way; response lacks clarity and fails to provide an adequate answer to the question.
* Conclusions may be presented, but are likely to be generic assertions rather than supported by evidence.
 |
| **2** | **4-6** | * Demonstrates accurate knowledge and understanding of relevant information with a few gaps or omissions.
* Evidence of application demonstrating some linkages and interrelationships between factors leading to a judgement / judgements being made.
* Demonstrates the use of logical reasoning, clarity, and appropriate specialist technical language.
* Evaluation is presented leading to conclusions but some may be lacking support.
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| **3** | **7-9** | * Demonstrates accurate and thorough knowledge and understanding of relevant information; any gaps or omissions.
* Evidence of application demonstrating linkages and interrelationships between factors leading to a supported judgement/judgements, leading to conclusions.
* Demonstrates the use of logical reasoning, clarity and appropriate specialist technical language.
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| **4** | **10-12** | * Demonstrates accurate and thorough knowledge and understanding of relevant information; any gaps or omissions.
* Evidences thorough application leading to balanced evaluation drawing on linkages and interrelationships between factors.
* Displays a well-developed, balanced and coherent evaluation, demonstrating a thorough graps of competing arguments, leading to supported conclusions.
* Logical reasoning evidenced throughout response which is clear and uses specialist technical language consistently and fluently.
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**Revision Task 8**

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| **Type of Borrowing** | **Definition** |
| Overdraft | An agreement to allow you to withdraw more funds from your current account than you have.Useful for short term borrowing e.g. just before pay day. |
| Personal Loan | When financial institutions allow to borrow a certain amount of money to be repaid in regular instalments with interest.Useful for high value purchases such as cars. |
| Hire Purchase | An agreement which allows you to use an item immediately as long as you maintain the regular instalment payments. You do not own the item until you have completed all repayments.Useful for high value infrequent purchases e.g. washing machine. |
| Mortgage | A long term loan which is often used to fund the purchase of large value assets such as houses. The loan is normally paid back over a long period of time usually 25 items. The asset is often used as security for the loan and is at risk if repayments are missed.Useful for purchasing high value assets which maintain their value e.g. houses. |
| Credit Card | Allows you to purchase items on credit. The debt can be paid off in part or full at the end of the month. Interest is charged on any remaining balance.Useful as an alternative as cash to purchase high value items e.g. holiday or to spread expenditure over high cost months such as Christmas. |
| Payday Loan | A short term loan which has to be repaid with usually very high rates of interest.Useful for helping with emergency cash flow shortfalls e.g. car breaks down before pay day. |

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| **Type of Borrowing** | **Advantage** | **Disadvantage** |
| Overdraft | Can be agreed in advance and only used if required. | Interest charges are often very high. |
| Personal Loan | Can help with budgeting as the repayment amounts can be arranged in advanced and the repayment amounts agreed. | The loan is often secured against an asset e.g. car and this asset will be at risk if loan payments are missed. |
| Hire Purchase | Enable the individual to use the item and spread the repayment costs over a longer period of time. | You are unable to sell the item until all repayment payments have been made. The item is still owned by the seller until all repayments have been made. |
| Mortgage | Enable the individual to spread the cost of very expensive items over a longer period of time e.g. 25 years. | The asset purchased with the mortgage is at risk if you are unable to make the repayments.Charges sometimes apply if you decide to repay the mortgage early. |
| Credit Card | When credit card users pay off their monthly balance in full, they pay no interest. | If you do not pay off the monthly balance in full then the interest charges can be very high. |
| Payday Loan | Useful to solve short term cash flow problems. | The interest rates charged on balances are very high and can lead to debt increasing rapidly. |

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| **Question Number** | **Answer** | **Mark** |
| **7** | Points candidates may use are:**Advantages**Can be useful for short term cash flow problems.Can be useful for short term emergency purchases e.g. car repair, new washing machine needed or boiler repair.Loan can be approved quickly –Money is often transferred within an hour Loan is not secured against an asset such as a house or car**Disadvantages**Interest rates are very highCumulative amounts to be repaid can soon spiral out of control.Emergency expenditure could perhaps be delay by change in behaviour in the short term e.g. use bus / public transport instead of car to get to work – use laundrette to wash clothes.Cheaper financial deals may be available to buy replacement items which have broken e.g. some companies will offer interest free credit on purchases e.g. buy a new washing machine and pay nothing for six months.If expenditure can be delayed for a few days then cheaper borrowing could be secured from banks by a short term overdraft or a bank loan.Relying on Payday loans prevents the individual from engaging in careful budgeting – planning expenditure in advance and making regular savings for emergencies would reduce the need for pay day loans.The ease of obtaining a pay day loan may encourage irresponsible borrowing – e.g. individual use it for non essential expenditure such as holidays or new clothes. | **10** |
| **Level** | **Mark** |  |
|  | **0** | No rewardable material |
| **1** | **1-3** | * Demonstrates isolated knowledge and understanding of relevant information; there may be major gaps or omissions.
* Provides little evidence of weight up of competing arguments / pros and cons in context; discussion likely to consist of basic description of information.
* Meaning may be conveyed but in a non-specialist way; response lacks clarity and fails to provide an adequate answer to the question.
 |
| **2** | **4-6** | * Demonstrates accurate knowledge and understanding of relevant information with a few gaps or omissions.
* Discussion is partly developed, but will be imbalanced. Evidences the weighing up of competing arguments/pros and cons in context.
* Demonstrates the use of logical reasoning, clarity, and appropriate specialist technical language.
 |
| **3** | **7-10** | * Demonstrates accurate and thorough knowledge and understanding of relevant information; any gaps or omissions.
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**Revision Task 9:**

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| **Type of Borrowing** | **Definition** |
| Individual Saving Accounts (ISAs) | A saving account which does not charge income tax on the interest earned from savings. |
| Deposit and savings accounts | A saving account which pays interest on balances at the end of the year. The account holder will have to provide notice before they are able to withdraw funds from the account. |
| Premium bonds | Owners of bonds are entered into regular draws for cash prizes. |
| Bonds and gilts | Fixed term securities where the individual lends money to companies or government in return for interest payments.  |
| Shares | An investment into a business which results in the individual becoming part owner of the business. If the business makes a profit they may pay a dividend to its shareholders. |
| Pensions | Long term savings by individuals during their working life. Upon retirement they will receive a lump sum and regular monthly payments. |

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| **Type of Borrowing** | **Advantage** | **Disadvantage** |
| Individual Saving Accounts (ISAs) | Interest is often higher than other saving accounts.No Tax is charged. | There is a maximum amount individuals can invest in ISAs.The individual may need to give notice to close the account. |
| Deposit and savings accounts | Interest is paid to the individual on positive balances. | Individuals are taxed on interest earned on positive balances. |
| Premium bonds | No penalties to withdraw money.Cash prizes can be greater than comparable interest payments from standard saving accounts. | There is no guarantee you will win. |
| Bonds and gilts | The Government and Business will pay provide regular payments. | There is a risk that the bond or gilts could lose their value, |
| Shares | Can receive dividend payments which may be at a higher level than interest provided on saving accounts. | Share prices can down as well as up.The business may not pay a dividend every year. |
| Pensions | Some employers also make contributions to pensions. | Final pension levels can sometimes be difficult to calculate. |

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| **Question Number** | **Answer** | **Mark** |
| **8** | Points candidates may use are:**Advantages**Share prices can increase in value.Dividends can be paid to shareholders – these can be higher than the interest offered on savings by saving accounts.Investing in shares can be a fun pastime for individuals as they research companies and make decisions about which companies to invest in.Sometimes shareholders are entitled to additional benefits from the company e.g. discounts or shareholder exclusive offers.**Disadvantages**Share prices can decrease in valueCompanies do not have to pay a dividend.If the company fails then funds invested in shares are lost whereas if a bank fails the government would guarantee a certain amount of money to be repaid to the savers affected. | **10** |
| **Level** | **Mark** |  |
|  | **0** | No rewardable material |
| **1** | **1-3** | * Demonstrates isolated knowledge and understanding of relevant information; there may be major gaps or omissions.
* Provides little evidence of weight up of competing arguments / pros and cons in context; discussion likely to consist of basic description of information.
* Meaning may be conveyed but in a non-specialist way; response lacks clarity and fails to provide an adequate answer to the question.
 |
| **2** | **4-6** | * Demonstrates accurate knowledge and understanding of relevant information with a few gaps or omissions.
* Discussion is partly developed, but will be imbalanced. Evidences the weighing up of competing arguments/pros and cons in context.
* Demonstrates the use of logical reasoning, clarity, and appropriate specialist technical language.
 |
| **3** | **7-10** | * Demonstrates accurate and thorough knowledge and understanding of relevant information; any gaps or omissions are minor.
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**Revision Task 10:** Fill the gaps using the following words:

**Speculative Inflation shares Saving Investment low risk Saving high risk**

**Saving** and **Investment** requires the individual to forego current spending in the hope of obtaining greater wealth in the future. **Saving** involves transferring money into a secure account where it will increase in value as a result of interest payments. Savings are **Low risk** as the money is guaranteed to be available in the future. **Inflation** can reduce the future spending power of savings. Individuals often save for a specific future expenditure e.g. a car or children’s college fees.

Investment is a **speculative** commitment to a business venture in the hope that it will result in high financial rewards in the long term future. Investments can be **high risk** and there is no guarantee they will provide a financial return. An example of an investment is purchasing **shares**.

**Revision Task 11:**

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| **Type of Insurance** | **Advantages** | **Disadvantages** |
| **Car –** Is a legal requirement and covers theft and accidents.Protects driver, passenger and other road users. | legal requirement | Premiums vary depending on level of risk e.g. young drivers pay more.Excess must be paid before claim payments are received.  |
| **Home and Contents –**Home insurance covers damage to the building whilst contents insurance covers the items inside the property. | Provides cover against building damage which may run into thousands e.g. fire damageContents insurance may protect items when they are inside and outside the home e.g. bi-cycle. | Home insurance may be invalid if owner acts irresponsibly e.g. attempts own gas installation which later causes a fire.Some items have an item beyond financial e.g. sentimental value of wedding ring. |
| **Life Assurance is an** ongoing policy which pays a lump sum when individual dies**.** **Life Insurance** is a policy for a set period of time which pays a sum if individual dies during that period. | The lump sum will help cover expenditure after individual dies e.g. mortgage paymentThis will be helpful for family of individual who has died.May help to Mortgage lending criteria for some providers. | Life Insurance payments are not repaid if individual is still alive after period covered.Individual will have to undergo a medical to obtain life insurance. |
| **Travel –** protects individuals or groups from costs of cancelling holidays, medical costs resulting from illness / accidents whilst on holiday and theft lost of possessions. | May cover cancellation costsMay cover medical costs if injured or ill whilst on holiday. | May have to pay costs up front and then claim afterwards.Travel insurance will be higher if holiday includes risky activities e.g. skiing.  |
| **Pet –** helps cover the costs of a pet when it is ill or injured and needs treatment. | Covers expensive vet bills.Reduces number of situations where a pet has to be put down due to high medical costs. | Pet insurance costs rise as the pet becomes older. |
| **Health –** can cover the cost of routine visits to opticians and dentist – may cover a % of additional treatment. | Treatment may be quicker.May cover treatment / drugs not available on NHS. | Will not cover existing illnesses or injuries.Free treatment may be available on NHS. |

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| **Question Number** | **Indicative Content** | **Mark** |
| **9** | * **Has started taking driving lessons and therefore will need to take out car insurance in the future if he buys a car.**
* **If he is learning in his mums car then he will need to check with his mum to see if she has paid insurance for him**
* **It is a legal requirement to have car insurance if you own and drive a car.**
* **Probably will not need home and contents insurance as it is likely that his mum has these already – however Dylan can check. It may be that the contents insurance levels might be too high or too low and could be revised.**
* **Life Assurance and insurance – currently Dylan does not have many responsibilities – if he had a family dependent on him to pay a mortgage then this might be appropriate**
* **Pet insurance – Dylan has no pets so unless this changes in the near future this type of insurance is not needed.**
* **Health insurance – Dylan has just discovered he will need regular eye checks and new prescriptions for glasses –if he was accepted for health insurance the regular eye tests may be covered – however as his eye sight is a known condition the policy may not cover it.**
* **Travel insurance –there is a risk Dylan may have to cancel the holiday if his mum has an operation – travel insurance may pay for these costs –**
* **Travel insurance may be higher as his considering a risky holiday involving skiing – however as there is a greater chance of accident it would be advisable to seek cover so that any medical bills resulting from an accident would be covered.**
 | **(12)** |
| **Level** | **Mark** |  |
|  | **0** | No rewardable material |
| **1** | **1-3** | * Demonstrates isolated knowledge and understanding of relevant information; there may be major gaps or omissions.
* Provides little evidence of weight up of competing arguments / pros and cons in context; discussion likely to consist of basic description of information.
* Meaning may be conveyed but in a non-specialist way; response lacks clarity and fails to provide an adequate answer to the question.
* Conclusions may be presented, but are likely to be generic assertions rather than supported by evidence.
 |
| **2** | **4-6** | * Demonstrates accurate knowledge and understanding of relevant information with a few gaps or omissions.
* Evidence of application demonstrating some linkages and interrelationships between factors leading to a judgement / judgements being made.
* Demonstrates the use of logical reasoning, clarity, and appropriate specialist technical language.
* Evaluation is presented leading to conclusions but some may be lacking support.
 |
| **3** | **7-9** | * Demonstrates accurate and thorough knowledge and understanding of relevant information; any gaps or omissions are minor.
* Evidence of application demonstrating linkages and interrelationships between factors leading to a supported judgement/judgements, leading to conclusions.
* Demonstrates the use of logical reasoning, clarity and appropriate specialist technical language.
 |
| **4** | **10-12** | * Demonstrates accurate and thorough knowledge and understanding of relevant information; any gaps or omissions are minor.
* Evidences thorough application leading to balanced evaluation drawing on linkages and interrelationships between factors.
* Displays a well-developed, balanced and coherent evaluation, demonstrating a thorough graps of competing arguments, leading to supported conclusions.
* Logical reasoning evidenced throughout response which is clear and uses specialist technical language consistently and fluently.
 |