T-LEVELS | IfATE Institute for Apprenticeships and Technical Education

Please check the examination details below before entering your candidate information

Candidate surname	Other names

Centre Number | | | | | | |

LL- | | | | | | | | | |

Learner ID

T Level Technical Qualification in Finance (Level 3)

Monday 2 December 2024

Morning (Time: 2 hours 30 minutes)

Paper reference **19552**

Core: Examination

PAPER 1: Business Principles in Finance

You must have:
A calculator

Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and Pearson learner ID.
- There are two sections in this question paper. Answer **all** questions in Section A and Section B.
- Answer the questions in the spaces provided
  – *there may be more space than you need.*

Information

- The total mark for this paper is 90.
- The marks for **each** question are shown in brackets
  – *use this as a guide to how much time to spend on each question.*

Advice

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

Turn over ▶

P82893A

©2024 Pearson Education Ltd.
1/1/1/1/1/1/1

P 8 2 8 9 3 A 0 1 2 8

Pearson

The T Level Technical Qualification is a qualification approved and managed by the Institute for Apprenticeships and Technical Education, and Pearson's development and delivery of the qualification and use of the mark is under the authority of the Institute for Apprenticeships and Technical Education.

SECTION A

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

1 Give **one** objective of a not-for-profit business.

.....

.....

.....

(Total for Question 1 = 1 mark)

2 Give **one** professional characteristic essential for a person working in a finance business.

.....

.....

.....

(Total for Question 2 = 1 mark)

3 Explain **one** impact of technology on financial processes in financial services.

.....

.....

.....

.....

.....

.....

(Total for Question 3 = 2 marks)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

4 Name **one** tool used to analyse financial data.

.....

.....

.....

(Total for Question 4 = 1 mark)

5 Explain **one** principle of taxation.

.....

.....

.....

.....

.....

.....

(Total for Question 5 = 2 marks)

6 Explain **one** contribution of finance organisations to support the role of businesses.

.....

.....

.....

.....

.....

.....

(Total for Question 6 = 2 marks)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

7 Explain **one** benefit of data architecture for a financial services provider.

(Total for Question 7 = 3 marks)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

Eva is the new General Manager for Sharlow Investment Services (SIS), a local business that offers investment services for a broad range of clients. SIS has expanded its client base and is profitable, but due to a number of competitors for online services, SIS is not growing at the expected rate.

Eva has noticed that SIS only uses its cashflow and some analysis to monitor and measure its performance. SIS do not have any systems in place to measure other aspects of performance.

You have been asked to provide Eva with advice to help her decide what performance measures could be used.

8 Discuss the different ways, other than cashflow, that Eva can use to measure the performance of SIS.

(6)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

(Total for Question 8 = 6 marks)

TOTAL FOR SECTION A = 18 MARKS

DO NOT WRITE IN THIS AREA DO NOT WRITE IN THIS AREA DO NOT WRITE IN THIS AREA DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

SECTION B

Scenario 1

The insurance industry has traditionally used data to make decisions. Insurers continue to invest heavily in the infrastructure needed to collect, organise and analyse data.

Ashville Insurance Services (AIS) is a small, but growing, insurance provider to individual and corporate clients. Over the years, it has invested in technology and infrastructure to help its data collection and analysis capabilities. This has helped AIS become a profitable business. However, AIS has recently used third-party professionals to help support the growth and development of the business.

The board of directors of AIS has reviewed its use of third-party professionals and has found them to be expensive and unreliable. The board has decided to consider how it can improve the data collection and decision-making processes within AIS, so it will not need to rely on third-party professionals.

It has identified four potential decision-making models that it can consider to help improve business performance. These models are:

– rational

– bounded rationality

– intuitive

– solutions-based.

You must use Scenario 1 to answer questions 9(a) – 9(d).

9 (a) Explain **one** type of decision that organisations can take.

(2)

(b) Explain **one** way that data can be presented visually.

(2)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

(c) Explain **one** way a third-party professional can support an insurance business.

(3)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

(d) Discuss how different decision-making models can be used to support AIS.

(9)

DO NOT WRITE IN THIS AREA DO NOT WRITE IN THIS AREA DO NOT WRITE IN THIS AREA DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

(Total for Question 9 = 16 marks)

Scenario 2

You work for Royal Accounting Services (RAS) as a trainee accountant. RAS offers a range of financial services, including a bookkeeping service for small businesses. You are currently training in bookkeeping and the preparation of financial statements. You have been given a small project to work on by your mentor.

You have been given the details of two clients, a private limited company (Client 1) and a sole trader (Client 2).

Client 1

Sara is a shareholder and director of a private limited company, Crumbly Cakes Ltd. The company operates from a small bakery. Sara has provided information from financial statements. Sara has asked you to carry out some analysis.

Extract from financial statements for Crumbly Cakes Ltd	
Sales/Turnover	**£**
Bakery sales	47 550
Online sales	13 950
Cost of sales	
Opening inventory	12 000
Purchases	21 420
Closing inventory	9 680
Expenses	
Loan interest	350
Wages	10 000
Utilities	1 200
Rent	600

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

You must use Scenario 2, Client 1, to answer questions 10(a) – 10(c).

10 (a) Calculate the cost of sales for Crumbly Cakes Ltd.

(2)

You must show your workings.

£ .....

(b) Calculate the gross profit margin for Crumbly Cakes Ltd.

(3)

You must show your workings.

£ .....

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

(c) Explain **one** benefit to Crumbly Cakes Ltd of maintaining accurate financial records.

(2)

.....

.....

.....

.....

.....

.....

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

Client 2

Irina is a sole trader who runs an events business that is a new client of RAS. She has an office and a storage facility for her equipment. The business has been doing well and has an increased turnover and a growing number of clients. She believes that the current legal set-up of the business is not suitable for the growing business and is considering forming a private limited company. This change will enable Irina to change the legal format and provide her with a number of different options for the future.

Irina is also experiencing a fall in profits as the business expands, but she is unsure why. She believes the fall in profits may be due to the lack of quality information and data within her business. Irina has asked you to provide her with some advice about how to improve the data and information and to help her expanding business become more efficient.

Your manager is very keen for RAS to make a good impression on this new client because he wants to develop good longer-term relationships with all clients.

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

You must use Scenario 2, Client 2, to answer questions 10(d) – 10(e).

(d) Discuss the advantages and disadvantages for Irina's business of using digital tools and software.

(9)

DO NOT WRITE IN THIS AREA DO NOT WRITE IN THIS AREA DO NOT WRITE IN THIS AREA DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

Your manager has asked you to look at two options for Irina:

Option 1: RAS to provide and manage a financial computer package.

Option 2: Irina to set up her own financial computer package.

(e) Evaluate which of the two options would be most appropriate for Irina.

(12)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

(Total for Question 10 = 28 marks)

Scenario 3

You work for Bream Global Solutions (BGS) as a Data Analyst. BGS produces a free annual report that looks at different aspects of the UK economy, the external environment and how they influence business and financial services.

The main part of your role in BGS is to provide information in preparation for this annual report. You have looked at several UK Government reports that highlight some key information for the financial services sector.

- The UK financial services sector contributed £173.6 billion to the UK economy, which is 8.3% of the total economic output.
- There were 1.08 million financial services jobs in the UK in Q1 2022, which is 3.0% of all jobs.
- Taxes on the financial services industry raised £28.8 billion in 2020/21.

In October 2023, the Bank of England said the UK was likely to have zero growth until 2025, although it is expected to avoid a recession. However, there are very challenging external factors affecting the economy. Productivity in financial services has consistently been higher than productivity in the economy as a whole.

There have been human resource issues for the financial services industry in the UK. 90% of financial employers have had skills shortages. This shortage is not likely to change at the moment. It is affecting the ability of financial services businesses to grow and it damages their quality of customer service. Such experiences have also caused delays to projects and have delayed much needed development and business transformations.

You have been spending an increased amount of your time on the preparation of materials for the annual report.

Since 2022, there has been significant pressure on the UK economy because of a series of global events. These events have disrupted the ability of the UK economy to become stable and they have caused uncertainty in financial markets. The UK Government has used its policies and tools to try to maintain as much order and control as possible. Financial authorities, such as the Financial Conduct Authority (FCA), have tried to maintain tight regulation and close monitoring of financial businesses.

The advice BGS can give to its clients will be seen as helpful in enabling them to understand regulatory issues and how to make useful and helpful decisions about the marketplace in which they operate.

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

You must use Scenario 3 to answer questions 11(a) – 11(d).

11 (a) Explain **one** challenge to organisations of a lack of skills in finance professionals.

(3)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

(b) Explain **two** roles of the UK Government in controlling and directing the economy.

(4)

1 .....

.....

.....

.....

.....

.....

2 .....

.....

.....

.....

.....

.....

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

(c) Assess how changes in the external environment can impact on organisations.

(9)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

The board of directors of BGS is considering changing the reports that it currently provides to its clients. The board has proposed two options to improve the usefulness of its information.

Option 1: Continue with its current free report focusing on the broader aspects of the external environment and the UK economy.

Option 2: Produce reports that are paid for by clients, providing specific information tailored to individual clients.

(d) Evaluate which of the two options is most appropriate for BGS.

(12)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

(Total for Question 11 = 28 marks)

TOTAL FOR SECTION B = 72 MARKS
TOTAL FOR PAPER = 90 MARKS

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

BLANK PAGE

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

BLANK PAGE