

Functional Skills English Assessment  
Reading Level 2

NOCN USE ONLY

Learner name \_\_\_\_\_

Learner Registration Number \_\_\_\_\_

Learner signature \_\_\_\_\_

Centre \_\_\_\_\_

Assessment date \_\_\_\_\_

Question	Mark
1	
2	
3	
4	
5	
6	
7	
8	
9	
Total	

**Instructions to candidates**

Check that you have the correct paper. Please complete the information above.

You do not need to use complete sentences for the reading assessment.

Use black or blue ink. Do not use a pencil.

You may use a dictionary.

There are 9 questions in this assessment. You must attempt all the questions.

Total marks available: 34

You have **1 hour and 15 minutes** to finish the assessment.

**Functional Skills English Level 2 Home SAMPLE PAPER B**  
**Reading Assessment Task Sheet**



You have been considering buying your first home for quite some time and you finally have enough money saved to put down a deposit. You are unsure about what steps to take to become a home owner so decide to look up some articles on the internet to give you some idea.

Read through the information and answer the questions.

Document One

Buying a home : FSA Money made clear - guides - Windows Internet Explorer  
http://www.moneymadeclear.fsa.gov.uk/guides/home/buying\_a\_home.html

## Buying a Home

Plan your budget - [Managing your money](#)  
Budgeting helps you work out where your money is going and how much you can save towards buying your home. It can also help you see where you may be able to cut back.

Save for a deposit - [Compare savings accounts](#)  
Lenders are increasingly expecting you to have a large sum to put down as a deposit. If you need to save up for this and other mortgage costs, shop around for a savings account to suit you. You may get higher interest in some accounts, but make sure you can access your money when you need it.

Mortgages explained - [How mortgages work](#)  
A mortgage is a loan secured against your home, and if you can't repay it, the lender can sell your home to get its money back. There are lots of different types of mortgage deals, so spend some time looking into which one may be best for you.

Insurance to protect your property - [Buildings insurance](#)  
Most people need buildings insurance to cover their home in case the building is damaged or destroyed. You don't have to buy it from your lender, so shop around to get the best deal for you.

Insurance to protect the contents of your home - [Contents insurance](#)  
You can buy insurance to cover the loss of, theft or damage to, the contents of your home, such as your furniture and electrical goods. Shop around to get the best deal for you.

### First-Time Buyers Statistics

Here's a graph showing the amount of first-time buyers that took out home loans. The majority of first-time buyers take out loans to purchase their home, so it gives a good representation of how many first-time buyers enter the market annually.

Year	Number of First-Time Buyers (Approximate)
1979	350,000
1980	500,000
1981	550,000
1982	500,000
1983	450,000
1984	400,000
1985	350,000
1986	400,000
1987	450,000
1988	500,000
1989	550,000
1990	500,000
1991	450,000
1992	400,000
1993	450,000
1994	500,000
1995	550,000
1996	500,000
1997	450,000
1998	400,000
1999	350,000
2000	400,000

Document Two – you find this leaflet at [www.todolistsoft.com](http://www.todolistsoft.com)

## Home Buying Checklist

□ **Learn your homebuyer's rights!**

There are many laws that protect you from scams, unnecessary expenses, and discrimination in the process of home buying.

□ **Figure out how much mortgage you can afford.**

Most financial institutions will lend you from 25% up to 75% of the value of the home you want to purchase. A lender may want your monthly mortgage payment to total no more than 33% of your monthly □ gross income (that's your monthly income before taxes and other pay check deductions are taken out.)

□ **Decide what you can afford to spend.** No matter how much a lender can borrow, having borrowed too much you may have to cut back on other expenses such as holidays or entertainment. Consider how your day-to-day cash flow will be affected. □

□ **Make your wish list.**

Consider what features you like in your present home, what you don't like, and what you would find useful or more comfortable. Think about your housing needs and wants to work out what types of houses you should be considering. Consider the general location taking into account all your possibilities.

□ **Learn how to set a value on a house.**

This can save you a great deal of time and helps to avoid disappointment.

□ **Begin house-hunting.**

Start with the Internet. Pick up leaflets from estate agents. Read the property sections of your local newspaper. Drive around neighbourhoods that interest you and write down addresses where there are "for sale" signs. Visit any show homes on any new developments. Don't just drive around. Get out of your car and walk. Talk to the people working in their gardens or washing their car.

**Hire a home inspector.**

Be sure to choose a home inspector who is licensed. A home inspection will generally cost between £200 and £400. You will have to pay for this inspection yourself, but it could keep you from buying a house that will cost you far more in repairs. If you aren't happy, ask the seller to pay for certain repairs or asking for a lower price.

**Make moving plans.**

If you plan to use a moving company, make comparisons and reserve time now.

Pros of owning a home

- Ownership
- Your own freedom and space
- Low interest rates

Cons of owning a house

- Costs of repairs and maintenance
- Large financial commitments
- Sole responsibility for insurance and utilities

### Document Three

#### House prices fall in February

House prices fell by 1.5% in February, figures from one of the UK's largest lenders showed today, in a further sign of a slowdown in the housing market.

The fall followed seven consecutive monthly increases and reduced the average price of a UK property by about £2,500 to £166,587, the Halifax said.

Halifax's figures are in line with those produced last week by Nationwide, and follow reports of a sharp drop in demand for properties at the start of this year.

Lenders believe this is due to the wintry weather and the end of a temporary stamp duty holiday on homes changing hands for between £125,000 and £175,000.

#### Balance transfer

But since the start of the year there has been a marked change in the supply and demand balance. Figures from the Royal Institution of Chartered Surveyors suggest the recent improvement in market conditions has encouraged more homeowners to attempt to sell their property.

Martin Ellis from Halifax said this was likely to have been a factor in February's price falls: "An increase in the number of properties available for sale has helped to reduce slightly the imbalance between supply and demand.

"At the same time, the bad weather in the first two months of 2010 and the return of the lowest stamp duty threshold to £125,000, are likely to have had an adverse impact on housing demand.

"The combination of these factors appears to have helped to slow down the upward pressure on house prices."

Howard Archer, of IHS Global Insight, said other factors also suggested further price falls were on the cards.

"Although the Bank of England may well hold off from raising interest rates until 2011, the overall economic environment (particularly the high unemployment and the likely further rise in unemployment, and low earnings growth) does not support house prices. Credit conditions remain pretty tight and the stamp duty threshold has fallen.

"In addition, house price to earnings ratios have moved back up."

According to Halifax's figures, the cost of a home is now 4.84 times the average earnings of a fulltime male worker compared with 4.32 in March 2008.

Adapted from The Guardian 4 March 2010

Please answer the following questions about the documents you have read. You do not need to use full sentences.

Question 1

Using information from **Document One**, give two reasons why you may need to use contents insurance.

Reason One
Reason Two

2 marks

Question 2

What is the main purpose of **Document Two**?

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Give **two** reasons why you think the writer achieves that purpose.

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3 marks

Question 3

3a. Of the three documents, which, in your opinion, is the **most** useful? Give two reasons why you think this is so. You should refer to the layout and presentation of the document as well as the writer's techniques.

Reason 1

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Reason 2

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2 marks

3b. Of the three documents, which, in your opinion, is the **least** useful? Give two reasons why you think this is so. You should refer to the layout and presentation of the document as well as the writer's techniques.

Reason 1

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Reason 2

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2 marks

Question 4

Give 2 examples of how statistics have been used in the documents, and explain why you feel this is or is not effective.

Example 1

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Example 2

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4 marks

Question 5

You are seriously thinking of buying a new house. You see one that you may be interested in, however it looks like it may need quite a few repairs which you may not be able to afford. Who could you hire to help you identify exactly how much work needs to be done on the house?

What other steps might you be able to take to minimize the cost of repairs to yourself?

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3 marks

Question 6

The country is currently in a recession and you are wondering whether now is the right time to buy a house. In order to make an informed decision you need to look at the factors affecting house prices.

Use Document **Three** to identify four changes that have taken place in the UK housing market or changes that are likely to happen in the near future. Identify the impact this has on potential house buyers' decisions regarding whether or not to buy a house.

CHANGES IN HOUSING MARKET	IMPACT ON A DECISION WHETHER TO BUY OR NOT

8 marks

Question 7

Using Document Two, name two ways you would begin house hunting.

1. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
2. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2 marks

Question 8

You are trying to convince your partner that buying a home is the right choice for you both. Your partner thinks you should continue renting. Using Documents Two and Three, make a list of four reasons you could use to win the argument, and two reasons your partner may give as to why it is better to rent.

6 marks

Your reasons:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

Partner's counter arguments:

1. \_\_\_\_\_
2. \_\_\_\_\_

Question 9

You want to give advice to your friends about how they could go about buying a house themselves. Read **Document One** and name two steps that they should take **financially** before buying a home.

1. \_\_\_\_\_  
\_\_\_\_\_
2. \_\_\_\_\_  
\_\_\_\_\_

End of Assessment

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