

WARNING

This question paper **MUST** be returned with your answer book at the end of the examination, otherwise marks will be lost.

Write your Examination Number here: 



Coimisiún na Scrúduithe Stáit State Examinations Commission

LEAVING CERTIFICATE EXAMINATION, 2010

BUSINESS - ORDINARY LEVEL
(400 marks)

TUESDAY, 15 JUNE – AFTERNOON 2.00 to 4.30

ANSWER

(A) Ten questions from SECTION 1

AND

(B) Four questions from SECTION 2 as follows:

One question from Part 1 and
Two questions from Part 2 and
One other question from either Part 1 or Part 2.

All questions carry equal marks.

Calculators may be used.

Make and Model of Calculator Used:

Q.	Mark
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
Total	

SECTION 1
(100 marks)

SHORT ANSWER QUESTIONS

Answer 10 questions. Each question carries 10 marks. Please return this question paper with your answer book.

1. What do the following letters stand for? (Write each answer in the space provided.)

(i) PR	
(ii) CV	
(iii) SWOT	

2. The following information is available from the final accounts of Casey Ltd on 31/12/2009.

Current Assets **€ 500,000**

Current Liabilities **€ 200,000**

Calculate: **(i)** The Working Capital _____

(ii) The Working Capital Ratio _____

Workings	

3. Indicate, by means of a tick (✓) the category or sector of industry to which each of the five businesses listed belongs.

		Primary	Secondary	Tertiary/Services
A	A factory making candles			
B	A taxi company			
C	Insurance Brokers			
D	A dairy farmer			
E	A coal mining company			

4. State **two** benefits of EU membership for Irish business:

(i) _____

(ii) _____

5. Column 1 is a list of business terms. Column 2 is a list of explanations for these terms.
(One explanation has no match)

Column 1: Terms	Column 2: Explanations
1. PAYE	A. Paid by a self-employed person.
2. Value Added Tax (VAT)	B. Tax charged on interest earned on savings accounts.
3. P45	C. Tax charged on the wages earned by an employee.
4. Self-Assessment Income Tax	D. Tax on gifts or inheritances received by people.
5. Deposit Interest Retention Tax (DIRT)	E. This is given to an employee if he or she leaves his or her job during the tax year.
	F. Tax charged on the sale of goods or services.

Match the two lists by placing the letter of the correct explanation under the relevant number below.

1	2	3	4	5

6. State **two** effects of high interest rates on business.

(i) _____

(ii) _____

7. Draft, using today's date, a Memorandum (Memo) from Michelle Deasy, General Manager to all staff reminding them of the training day to be held on Friday the 2nd July.

MEMORANDUM	
To:	_____
From:	_____
Date:	_____
Re:	_____
Signed: _____	Title: _____

8. Write TRUE or FALSE after each of these statements:

Statement		True or False
1.	Job production is used to produce one-off unique products.	
2.	Strategic Planning is long term planning.	
3.	A poor relationship between the sender and the recipient of the message is a barrier to effective communication.	
4.	Mass produced goods are generally very expensive and of very high quality.	
5.	A Credit Union is a type of Co-operative.	

9. List **three** grounds on which Employment Discrimination is outlawed under the Employment Equality Act 1998:

- (i) _____
- (ii) _____
- (iii) _____

10. State **two** benefits of a 'Partnership' as a type of business:

(i)
(ii)

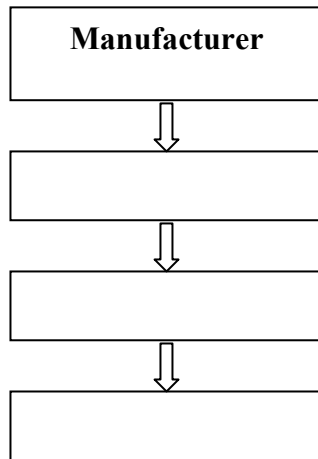
11. Explain the term 'stock control': _____

12. Outline **two** ways in which the Irish Government supports business:

- (i) _____

- (ii) _____

13. (i) Complete the **three** missing stages in the chain of distribution.



(ii) Give **two** examples of a ‘Manufacturer’:

Example 1: _____

Example 2: _____

14. Explain the following needs in Maslow’s Hierarchy of Needs:

(i) Basic Needs:

(ii) Safety/Security Needs:

15. Identify **three** of the main headings in a business plan. (Example: Finance)

(i) _____

(ii) _____

(iii) _____

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SECTION 2

(300 Marks)

Answer four questions from SECTION 2 as follows:

One question from Part 1 and

Two questions from Part 2 and

One other question from either Part 1 or Part 2.

PART 1

PEOPLE IN BUSINESS

QUESTION 1

Read the information supplied and answer the questions which follow.

Tom and Mary Burke purchased a washing machine for €600 from Murray's electrical store. After one week they noticed that the machine did not spin the clothes properly and that water remained in the machine at the end of the washing cycle. They returned to the shop to complain.

- (A) (i) Name the **law** that protects the Burkes in this case. (10 marks)
- (ii) Explain **three** legal rights of the Burke family **and one** duty of Murray's electrical store under the law. (20 marks)
- (iii) Explain **two** advantages of taking a case to the Small Claims Court. (20 marks)

Mark is a public sector worker and a member of a trade union. He has been involved in picketing his workplace as part of a national day of protest.

- (B) (i) Explain the term 'picketing'. (15 marks)
- (ii) Outline **two** functions of a trade union. (10 marks)

(75 Marks)

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DOMESTIC/INTERNATIONAL ENVIRONMENT

QUESTION 2

Read the information supplied and answer the questions which follow.



Wholefood Farm Products Ltd

Jim and Martina White own Wholefood Farm Products Ltd, an organic farming and food production business in Cork. They produce a range of fresh and frozen products in a small unit located near their farm. Up until now they have sold on the Irish market only.

They have recently developed a website and have had a lot of enquiries from potential English and other European customers.

They are considering expanding their business by exporting to other countries.

Jim and Martina are very conscious of their ethical responsibilities and believe in treating customers and employees in an honest and fair way. They are aware of their environmental responsibilities and of the benefits their business brings to their local community.

- (A) State **two** advantages of a private limited company. (10 marks)
- (B) Outline **two** environmental responsibilities of business. (15 marks)
- (C) Explain how Wholefood Farm Products Ltd can behave ethically towards:
(i) its customers;
(ii) its employees. (20 marks)
- (D) State **three** challenges/difficulties Jim and Martina may have if they decide to export to other markets. (15 marks)
- (E) Outline **two** possible benefits that Wholefoods Farm Products Ltd may bring to the local community. (15 marks)
- (75 marks)**

DOMESTIC ENVIRONMENT

QUESTION 3

Read the information supplied and answer the questions which follow.

The following table shows Unemployment Rates from November 2007 to May 2009.

	November 2007	May 2008	November 2008	May 2009
Total persons on the Live Register	150,000	200,000	250,000	400,000

- (A) (i) Draw a **bar** chart to represent the above information. (10 marks)
- (ii) Outline **two** effects of increasing unemployment on the Government's income and expenditure. (20 marks)
- (iii) Outline **two** effects of increasing unemployment on business. (20 marks)

In recent times there has been a large increase in the number of Irish consumers shopping in Northern Ireland.

- (B) (i) State **two** effects of this situation for the Irish economy. (15 marks)
- (ii) The Irish Government reduced VAT rates in its December 2009 budget. How can this measure help to reverse the above situation? (10 marks)
- (75 marks)**

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PART 2

ENTERPRISE/MANAGING

QUESTION 4

Read the information supplied and answer the questions which follow.

Roisín Murphy worked as a hairdresser in her home town for six years. She left her job as a result of poor employer-employee relationships in the workplace. She believes her former boss Michael was an autocratic leader.

Roisín is an enterprising person and has just opened her own hair salon employing three staff. She completed a start your own business course, planned her business well and organised the finance. She regularly consults with staff over business issues and values their opinions. She pays her staff well and praises the high standard and quality of their work. She is an excellent communicator and believes in McGregor's Theory Y on motivation.

- (A) Explain the term autocratic (authoritarian) leader. (10 marks)
- (B) Outline **two** effects that poor employer-employee relationships may have on a business. (15 marks)
- (C) Outline **three** enterprising skills/characteristics displayed by Roisín. (15 marks)
- (D) Name **two** long-term sources of finance Roisín may have used to help start her business and explain **one** of them. (20 marks)
- (E) Explain McGregor's Theory Y on Motivation, with reference to the above text. (15 marks)
- (75 marks)**

MANAGING

QUESTION 5

Read the information supplied and answer the questions which follow.

Glendarn Sports Club in Galway will hold its Annual General Meeting (AGM) in a local hotel next month.

The Chairperson Joanne O Boyle and the Secretary Michael Brown are planning the meeting and discussing items for the agenda.

Six months ago flooding caused damage to the clubhouse.

Joanne checked the insurance policy and contacted the insurance company for a claim form.


- (A) Using today's date draft the Notice **and** the Agenda for the Annual General Meeting of Glendarn Sports Club. (The Agenda should contain five items) (25 marks)
- (B) (i) Outline **two** duties of a Chairperson at a meeting.
(ii) Outline **two** duties of a Secretary at a meeting. (20 marks)
- (C) State **two** advantages of meetings as a method of communication. (10 marks)
- (D) (i) Explain the insurance terms underlined above. (10 marks)
(ii) Outline how the flood damage may affect future insurance premiums for the club. (10 marks)
- (75 marks)**

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MANAGING

QUESTION 6

Read the information supplied in the following advertisement and answer the questions which follow.

COHAN INFORMATION  *TECHNOLOGY SOLUTIONS*

Seeks
WEB DESIGNER

Cohan IT Solutions is a growing Dublin based company with a current staff of seven. We are looking for a web designer to join our web design team.

The position: will involve meeting with clients to assess their requirements. Responsibilities include designing and developing unique websites and on-site training for clients. Rewards are negotiable.

The ideal candidate: must have experience, an ability to work as part of a team, excellent communication skills and problem solving capability.

Apply online: *cohanitsolutions.com* before 30th June 2010.

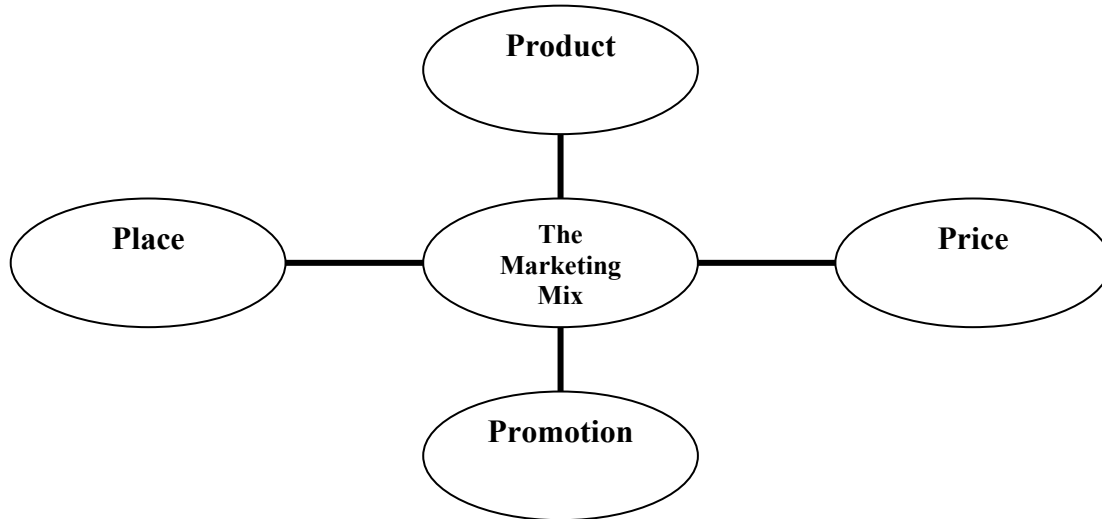
- (A) Explain the following terms with reference to the above advertisement:
- (i) job description;
 - (ii) person specification.
- (20 marks)
- (B) State **three** ways in which Cohan IT Solutions could reward its staff. (15 marks)
- (C) Outline **two** benefits of teamwork to a business. (15 marks)
- (D) State **two** ways, other than the newspaper, Cohan IT Solutions can use to recruit new staff. (10 marks)
- (E) Outline **three** advantages of Information Technology to a business, giving examples. (15 marks)
- (75 marks)**

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BUSINESS IN ACTION

QUESTION 7

Read the information supplied and answer the questions which follow.



- (A) State **three** factors which affect the price of a product. (15 marks)
- (B) Draft and label the Product Life Cycle diagram. (15 marks)
- (C) State **two** reasons why a business would carry out market research. (15 marks)
- (D) (i) State **two** benefits of using a brand name.
(ii) Give **two** examples of **global** brands. (15 marks)
- (E) Explain the term 'target market'.
Give **one** example to illustrate your answer. (15 marks)
- (75 marks)**

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MANAGING / BUSINESS IN ACTION

QUESTION 8

Read the information supplied and answer the questions which follow.

Jack Sullivan, a sole trader employing five staff, runs a small bakery and coffee shop in Ennis. He owns his premises and a van which is used to deliver his bread and cakes to local shops in the Ennis area.

Jack has seen a decline in his sales and profits due to the downturn in the economy and he has decided to increase spending on advertising. He has also considered using sales promotion methods such as price reductions to increase sales. Jack has applied to the bank for an increase in his bank overdraft limit.

- (A) State (i) **two** advantages
AND
(ii) **two** disadvantages of a sole trader business. (20 marks)
- (B) (i) Name **three** types of insurance Jack should have for his business.
(ii) Give **one** reason for having each type of insurance. (20 marks)
- (C) Outline **three** advertising media that Jack could use to promote his business. (15 marks)
- (D) Apart from price reductions, outline **two** other methods of sales promotion Jack could use to increase sales. (10 marks)
- (E) Explain the term 'bank overdraft'. (10 marks)
- (75 marks)**

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