



WARNING

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

STUDENT NAME 

SCHOOL 

TEACHER 

PRE-LEAVING CERTIFICATE EXAMINATION, 2012

Business – Higher Level
(400 marks)

TIME : 3 HOURS

CANDIDATES ARE REQUIRED TO ANSWER:

- (A) Eight questions from SECTION 1**
AND
- (B) The Applied Business Question in SECTION 2**
AND
- (C) Four questions from SECTION 3 as follows:**
One question from Part 1,
Two questions from Part 2
and One other question from either Part 1 or Part 2.
All questions carry equal marks.

Q.	Mark
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
Total	

Please note allocation of marks per question.

Calculators may be used.

Make and Model of calculator used:

REMEMBER TO RETURN THIS QUESTION PAPER WITH THE ANSWER BOOK YOU USE FOR ANSWERING SECTIONS 2 AND 3.

SECTION 1
(80 marks)
SHORT ANSWER QUESTIONS

This section is compulsory. Answer eight questions. Each question carries 10 marks.

Remember to return this question paper with your answer book.

1. Outline **three features of a partnership as a form of business ownership.**

(i) _____

(ii) _____

(iii) _____

2. Distinguish between ‘Conciliation’ and ‘Arbitration’ as legal terms.

(a) Conciliation is:

(b) Arbitration is:

3. Distinguish between the following taxation forms: Form P45 and Form P60.

(a) Form P45 is:

(b) Form P60 is:

4. Outline **three** benefits of Electronic Data Interchange (EDI) to a business.

- (i) _____

- (ii) _____

- (iii) _____

5. **Column 1** is a list of business terms. **Column 2** is a list of possible explanations of these terms. *(One explanation does not relate to any of the business terms)*

Column 1 – Terms	Column 2 – Explanations
1. Collateral	A. Secured long term finance offered to large companies
2. Debenture	B. All finance belonging to ordinary shareholders in the business
3. Preference Shares	C. Non-repayable money given by the government to a business or an organisation
4. Grants	D. Shares which carry a fixed rate of dividend in the business
5. Equity Capital	E. Security which is offered by a borrower to a financial institution
	F. A medium term source of finance offered by financial institutions

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

1	2	3	4	5

6. (a) Explain the term ‘intrapreneurship’.

(b) Outline **two** benefits of intrapreneurship to a business.

- (i) _____

- (ii) _____

7. Explain the role of the Data Protection Commissioner.

8. (a) Explain the term 'indigenous firm.

(b) Outline **two** ways that indigenous firms benefit the Irish economy.

(i) _____

(ii) _____

9. (a) Byrne's Fruit Imports owned a premises worth €430,000 and had it insured for €370,000 when a fire caused a partial loss of €200,000. Calculate the amount the insurance company will pay. (Show your workings.)

<u>Workings:</u>
<u>Answer</u>

(b) Name the principle of insurance that applies in (a) above.

10. Outline **two** functions of the National Consumer Agency as established under the Consumer Protection Act 2007.

(i) _____

(ii) _____

REMEMBER TO RETURN THIS QUESTION PAPER WITH THE ANSWER BOOK YOU USE FOR ANSWERING SECTIONS 2 AND 3.

SECTION 2

(80 marks)

This is a compulsory question based on Units 4, 5 and 6.

APPLIED BUSINESS QUESTION

JJM Technical Security

JJM Technical Security was established as a partnership by Jack and Jill Murphy in 2004. The company provides custom security solutions for businesses, including firewalls, anti-virus and spam software. The business expanded rapidly in its first five years, based on its reputation of providing quality security solutions alongside excellent customer support.



Prior to starting the business, Jack worked in software development at a major multinational. While there, he was exposed to the practice of Total Quality Management (TQM). Jack found that a team-based approach produced the best results and he brought that policy to JJM. Jack holds all team members responsible for a product's development and launch - key words for Jack are quality, responsibility and reward. There is very low employee turnover, as employees feel valued and a part of the team. While Jack runs the software development side of the business, Jill focuses on sales and customer support. She is constantly meeting with customers - finding out if they are satisfied with JJM's services, if there is a need for new products and if the service quality is high.

Since 2009, JJM has experienced a downturn in business. Some of their main clients have closed down and others have reduced their service requirements. To strengthen sales, they have developed an 'app' for SMART phones which will allow businesses to access their office computers remotely within a highly secure environment. They believe that this new product will have broad appeal and will open a new stream of revenue for the business.

JJM has some plans in place to support the launch of its new 'app'. They hope to entice new customers by offering a special introductory rate for the 'app'. With existing customers, the 'app' could be added to their current package as a bundle at a reduced rate. Building on their experience in customer support, JJM plans to offer extended support hours for 'app' customers.

The financing of the new product and the firm's growth is the next challenge for Jack and Jill. They are considering two options - forming a Private Limited Company or taking out a long term loan. If they choose to form a Private Limited Company, they could approach some of the senior managers to become shareholders in the new business structure. If they look for a long-term loan, they will need to approach their bank with a business plan. The owners are hopeful that the track record of their business and its focus on quality products will help it to acquire the loan needed.

- (A) (i) Explain the term 'Total Quality Management (TQM)'.
(ii) Illustrate how Total Quality Management (TQM) benefits JJM Technical Security. (30 marks)
- (B) Analyse **two** key elements of the marketing mix that can contribute to the success of JJM Technical Security's new product. (20 marks)
- (C) (i) Evaluate the **two** different options for financing which Jack and Jill are considering.
(ii) In your view, which source of finance is most suitable for Jack and Jill? (30 marks)

(80 marks)

SECTION 3

(240 marks)

Answer **Four** questions from **Section 3** as follows:

One question from **Part 1**, **Two** questions from **Part 2** and **One** other question from either **Part 1** or **Part 2**. All questions carry equal marks.

Part 1

People in Business / Business Environment

People in Business

Question 1

A successful business depends on good relationships between stakeholders.

- (A) (i) In the context of the relationship between employers and employees, distinguish between a *co-operative relationship* and a *competitive relationship*.
(ii) Outline **one** example of **each** type of relationship. (15 marks)
- (B) (i) Explain **two** elements of a valid contract.
(ii) Explain **two** methods by which a legal contract may be terminated. (20 marks)
- (C) (i) Under the terms of the Industrial Relations Act 1990 outline the reasons for legitimate trade disputes.
(ii) Evaluate the role of the Labour Relations Commission in dealing with industrial disputes. (25 marks)
- (60 marks)**

Domestic Environment

Question 2

- (A) Discuss how the Irish Government could create a positive climate for business investment in Ireland. Use examples to illustrate your answer. (20 marks)
- (B) Name **three** community development organisations and describe the services provided by **one** of them. (20 marks)
- (C) Illustrate how businesses in Ireland today could become more socially responsible. (20 marks)
- (60 marks)**

International Environment

Question 3

Ireland's membership of the European Union is a source of opportunities and challenges for Irish business.

- (A) Evaluate the challenges and opportunities for Irish businesses in the global market. (20 marks)
- (B) (i) Explain the term 'Global Marketing'.
(ii) Evaluate its role in international business. (20 marks)
- (C) Evaluate the impact on Ireland of any **two** of the following:
(i) The Competition Policy;
(ii) The European Union Social Charter;
(iii) The Common Fisheries Policy (CFP). (20 marks)
- (60 marks)**

SECTION 3

Part 2

Enterprise

Enterprise / Managing

Question 4

- (A) Outline **two** activities that are similar and **two** activities that are different in managing a business and in managing a household. (20 marks)
- (B) Discuss the role of 'stock control' and 'credit control' in the successful running of a business. (20 marks)
- (C) Evaluate the importance of planning to a business. (20 marks)
- (60 marks)**

Managing / Business in Action

Question 5

- (A) Discuss the importance of good communication between the stakeholders in a business. (20 marks)
- (B) Discuss **two** different styles of leaders. (20 marks)
- (C) (i) From the figures given below calculate the following for Butler Ltd. for the years 2011 **and** 2010:
- (a) Gross profit margin;
 - (b) Net profit margin;
 - (c) Return on investment.

	2011	2010
Sales	€900,000	€800,000
Gross Profit	€130,000	€125,000
Net Profit	€90,000	€80,000
Capital Employed	€750,000	€750,000

- (ii) Comment on the significance of the trends over the two years (2011/2010) for the existing shareholders. (20 marks)
- (60 marks)**

Managing / Business in Action

Question 6

Debbie Hogan has just completed her first year as Marketing Manager at MIM Lighting. She will have her first performance appraisal in the coming weeks.

- (A) (i) Explain the term 'Performance Appraisal'.
(ii) Outline the benefits of performance appraisal for the employees in a business. (20 marks)
- (B) Discuss the impact of new technologies on marketing. (20 marks)
- (C) Outline the benefits of market research to a business. (20 marks)
- (60 marks)**

Business in Action

Question 7

Sports Supply Limited stocks a wide range of goods for the sporting and leisure industry. In the last two years it has increased its product range to meet consumer demand for products such as snow boots, shoe grips and thermal-lined jackets.

- (A) Describe **three** reasons for business expansion other than to increase profits. (15 marks)
- (B) Describe the stages involved in the development process of a new product or service. (25 marks)
- (C) Discuss **four** internal sources of new product or service ideas. (20 marks)
- (60 marks)**

REMEMBER TO RETURN THIS QUESTION PAPER WITH THE ANSWER BOOK YOU USE FOR ANSWERING SECTIONS 2 AND 3.

Blank Page

Blank Page

