



Junior Cycle Final Examination

Sample Paper A Solutions

Business Studies

Common Level

Time: 2 hours

270 marks

Examination number

Centre Stamp

Question 1

A perk/benefit-in-kind is a non-cash form of income that an employer provides to an employee. (3)

An example would be a company car. (3)

Question 2

(a) Two of the following:

- To be their own boss – becoming an entrepreneur means that you can make all the decisions.
- To create employment – becoming an entrepreneur means that you have generated a job for yourself and in turn income.
- Ambition – some people aspire to be an entrepreneur. They are risk takers who are confident and determined. (4)

(b) I would consider Ailbhe and Izzy Keane to be entrepreneurs. They came up with an idea (covers for wheels). They saw a gap in the market. They took a personal and financial risk and began selling the wheel covers in 2016.

Also acceptable: Ailbhe shows characteristic of being creative – creating stylish, playful wheel covers for wheelchair users. (2)

Question 3

(a) Economic growth is an increase in a country's output of goods and services over time, e.g. a month or a year. (3)

(b) Any of the following:

Environment:

- Possible increase in pollution
- Greater waste as a result of increased consumption

Economy:

- Increase in employment
- More revenue for the government

Society:

- May be a greater divide between rich and poor
- Greater focus on material wealth (3)

Question 4

(a) A global business is one that operates in many countries around the world. (2)

(b) Any of the following:

Positives:

- Gives us better choice of products
- Easier access to products
- Often competitively priced products

Negatives:

- Environmental impact of goods travelling long distances
- Buying global products does not support Irish suppliers or Irish jobs.
- Some global products may not meet the quality standards we adhere to in Ireland. (4)

Question 5

A – Employment, B – Work, C – Volunteerism (6)

Question 6

(a) The eurozone

The value of the euro is set by the European Central Bank. (2)

(b) Two of the following:

- Encourages tourism into Ireland
- Simplifies financial dealings for business trading with other eurozone members
- Allows consumers and businesses to compare prices between member states using the euro
- Cost of changing currencies is eliminated when dealing with other eurozone members (4)

Question 7

(a) Sustainable development means that we meet the needs of the present without preventing future generations from meeting their own needs. (2)

(b) Any of the following:

Social

- Contributes to better health
- Increases awareness of the importance of sustainability among consumers
- Sets a good example to other businesses

Environmental

- This will reduce the amount of plastic waste – a plastic straw takes over 200 years to break down.
- Reduces pollution and danger to marine wildlife (4)

Question 8

Two of the following:

- To target a particular set of customers
- Online advertising allows the user to track how their ad performs.
- Online advertising may be cheaper than other traditional advertising.
- Businesses can contact their customers directly, not via a third party.

(6)

Question 9

Two of the following:

- Severe competition in EU market
- Pressure to comply with EU policy and legislation
- Companies in other EU countries can bid for Irish government contracts
- Competition to attract foreign investment

(6)

Question 10

(a) Annual Percentage Rate

(2)

(b) AIB

(2)

(c) A credit union

(2)

Question 11

Buyer sends a	Letter of enquiry
Seller sends a	Quotation
Buyer sends an	Order
Seller sends a	Delivery docket
Seller sends an	Invoice
Buyer pays with a	Credit transfer
Seller sends a	Receipt

(6)

Question 12

(a) Land, labour, capital and enterprise

(4)

(b)

Ireland has a controlled economy.	
Ireland has a mixed economy.	✓
Ireland has a free economy.	

(2)

Question 13**(a)**

MALONE FAMILY 2018	Jan	Feb	Mar	Apr	Total
PLANNED INCOME	€	€	€	€	€
Salary – Keith	3,500	2,500	2,500	2,500	11,000
Salary – Janet	2,980	2,980	1,480	1,480	8,920
Child Benefit	420	420	420	420	1,680
Total Income	6,900	5,900	4,400	4,400	21,600

(4)

(b) $420 \div 140 = 3$ children

(2)

Question 14**(a)** A strike is when employees stop working as a form of protest against their employer. (4)**(b)** The Workplace Relations Commission is one organisation that promotes good industrial relations between employers and staff. (2)**Question 15****(a)** The national budget is a document showing the government's planned income and expenditure for the next year. (4)**(b)** The Department of Finance (2)

Section B

180 marks

Question 16

- (a) (i) The premium is the cost of insurance. (4)
- (ii) Any of the following:
- There is an increase in the number of claims.
 - The amount paid out by insurance companies in claims is substantial in comparison with other EU countries. (4)
- (b) (i) $\frac{20,000}{30,000} \times 6,000 = \text{€}4,000$ (10)
- (ii) Average clause (4)
- (iii) Indemnity (4)
- (iv) The higher the risk, the higher the premium. (4)
- (c) (i) Loading is an amount added to the basic premium due to risk factors, e.g. an inexperienced driver.

No claims bonus is the discount received on motor insurance for not making a claim. (6)

(ii)

	€	€
Basic premium (450 + 20%)		540.00
ADD LOADINGS		
Comprehensive charge	150.00	
Provisional licence	125.00	815.00
LESS DISCOUNTS		
Alarm 5%	40.75	
Total yearly premium		774.25
LESS NO CLAIMS BONUS		
No claims bonus		
Yearly premium		774.25

(20)

I would advise David to shop around insurance providers in order to secure the best deal. (4)

Question 17

(a) Any two of the following:

- Reduces the risk of failure. It could help Tasty Tim's to predict the likely level of sales by finding out the size of market, i.e. how many people visit each site.
- To find out what customers want – will fish and chips be enough to have on the menu?
- To find out information about competitors' food and pricing structures to produce better quality fish and chips and stay ahead of competitors
- To find out the best type of promotion to use – is 'Tasty Tuesday' a good promotion? How many people visit sites on Tuesdays compared with other days? Do customers think it's a good deal?

(12)

(b) Desk Research:

- Online research – internet, e.g. Central Statistics Office data available for Wild Atlantic Way visitor numbers and what sites are most popular
- County Council – permits for parking

Field Research:

- Survey potential customers travelling on the Wild Atlantic Way.
- Observation – identify which sites are the busiest. Observe footfall at competitors' businesses to see which days and sites are the busiest.

(10)

(c) (i)

COMPANY DETAILS	
Name of Company	Tasty Tim's
Address of Company	Ennistymon, Co. Clare
Stakeholders/Directors	Tim Tolan, Tony Tolan
Managing Director	Tim Tolan
Company Bank	Bank of Ireland, Ennistymon, Co. Clare
PRODUCT	
Description of Product	Fish and chips
MARKET RESEARCH	
Target Market	Visitors to Wild Atlantic Way
Competition	Local fish and chip shops
Price per Unit	€6.50
SALES PROMOTION	
Method	Free drink on Tuesday with order
FINANCE	
Total Required	€40,000
Amount Available	€25,000
Share Investment Required	€15,000
SIGNED	Tim Tolan
DATE	[Today's date]

(20)

(ii) Any two of the following:

- To a safe working environment
- To a fair wage (at least minimum wage)
- To be treated fairly and not discriminated against
- To statutory breaks and holidays

Sarah could contact the Workplace Relations Commission. (10)

(iii) Tim could use online advertising such as Facebook ads. It would allow him to reach international visitors and target his ads towards people who like pages such as airlines and local hotels, therefore targeting people who are likely to be travelling to the area soon.

Tim could contact Tourism Ireland or his local tourist board. (8)

Question 18

(a) (i)

Current (revenue) income	
Current (revenue) expenditure	
Capital income	
Capital expenditure	✓

(5)

(ii) Way 1: Borrowing

Way 2: Taxation

The Irish taxpayer will ultimately bear the cost of this funding as taxes are likely to increase to help pay for this ambitious plan. (9)

(iii) One of the following in each case:

New homes built	<ul style="list-style-type: none"> • Alleviate the housing crisis situation • Should help curb homelessness • Greater supply should reduce house prices
Dublin airport second runway and control tower	<ul style="list-style-type: none"> • Attract more tourists • Increase revenue for economy as greater capacity at airport
Acute hospital beds	<ul style="list-style-type: none"> • Alleviate the overcrowding and lack of acute beds • Improve the health system for citizens
Electric vehicles	<ul style="list-style-type: none"> • Reduce our emissions • Help our economy reach global sustainability goals on the environment

(12)

- (b) (i)**
- Education: more schools are needed at all levels and there is a greater need for teachers and school staff.
 - Housing: greater demand for houses which will increase house prices and value of land. Greater employment in construction sector. There may be an increase in homelessness.
 - Healthcare: need for more hospital facilities, nurses, doctors, consultants, etc.
 - Environment: larger population means more consumption and greater waste, which can lead to an increase in pollution.
 - Job market: greater competition for available jobs, possible increase in unemployment. More applicants than jobs so wages may decrease. (18)

(ii) One of the following:

- Improvements in healthcare mean people are living longer.
- People from other countries are migrating to Ireland. (3)

(c) Options include the National Recovery Plan. The aim of the National Recovery Plan is to enable Ireland to return to sustainable growth in the Irish economy. (8)

(d) I would expect demand to increase.

Another factor that affects the demand curve is advertising. For example, if a business advertises a product there will be an increase in demand and the demand curve will shift to the right. (5)