

WARNING

This Question Paper **MUST** be returned with your answerbook 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, 2004

Business – Higher Level
(400 MARKS)

WEDNESDAY, 16 JUNE – MORNING, 9.30 am to 12.30 pm

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.

Remember to return this examination paper with the answerbook you use for answering Sections 2 and 3.

Leaving Certificate Examination 2004

Business – Higher Level

**SECTION 1 – SHORT ANSWER QUESTIONS
(80 marks)**

**This section is compulsory. Answer eight questions. Each question carries 10 marks.
Remember to return this Examination Paper with your answerbook.**

1. Distinguish between ‘Arbitration’ and ‘Conciliation’.

(i) Arbitration

(ii) Conciliation

2. Being an ‘Intrapreneur’ involves:

3. Illustrate your understanding of the term “Taxation Credit”

4. Draft a **memorandum** (memo) using an appropriate format, to all department managers suggesting two topics for an upcoming management-training day.

5. Illustrate what is meant by “Terms of Reference”.

6. (i) Explain why a business would calculate the Debt / Equity Ratio.

(ii)

	<u>2003</u>
Long Term Loans	100,000
Ordinary Share Capital	50,000
Reserves	25,000
Overdrafts	15,000

Workings

Calculate the Debt / Equity Ratio for the year 2003: _____ : _____
Show all workings.

7. Name and illustrate three types of production.

(i) _____

(ii) _____

(iii) _____

8. List four institutions of the European Union.

(i) _____

(ii) _____

(iii) _____

(iv) _____

9. A 'Feasibility Study' is used to:

10. On the Break Even Chart below indicate clearly the following:
Total Cost Line, Revenue Line, Margin of Safety, Fixed Costs Line, Break Even Point.



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SECTION 2 (80 Marks)

This is a compulsory question.

Applied Business Question.

Peter Palmor

Peter Palmor arrived in Ireland from Eastern Europe in 1991 with little spoken English and no money to speak of. He had a university degree in engineering however and quickly secured a job with an established property developer in Dublin. His fresh ideas and ability in tackling problems impressed his employer. The Managing Director of the firm had confidence in Peter's ability to appreciate opportunities and to learn quickly.

Peter was ambitious and worked successfully for the business but felt he needed more. His employer helped him to set up a structural engineering and consultancy firm and gave him his first contract. The building boom in Ireland ensured that the business grew quickly and contracts came from other firms who recognised Peter's technical skills and '*can do*' attitude.

Peter is now experiencing challenges in managing his business, especially in dealings with his employees, investors and suppliers. Peter seems to be constantly under stress and he is fearful that he may begin to make serious mistakes. He finds that he is working too many hours per day and taking home work at weekends. He wishes to improve his lifestyle.

Over both the short and the long term he wishes to make better use of his time, and find effective solutions to his problems. Peter's personal commitment to the business is excellent and he is open to suggestions that will improve the management of his business into the future.

- (A) Explain with illustrations from the above information, four enterprising skills **and/or** characteristics shown by Peter. (20 marks)
- (B) You are Peter's business advisor. Draft a short report for Peter identifying remedies for the challenges he is encountering. (30 marks)
- (C) Evaluate Peter's management skills with a view to his improving his business and lifestyle. Support your answer with reference to the above text. (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

Read the information supplied and answer the questions which follow.

The Chief Executive of Mecca Enterprises, a national firm in the leisure business, believes that good relationships, which help in resolving situations of conflict between business organisations, are most important. At present, however, she feels that there is a very high risk of ongoing conflict into the future.

- (A) Describe a co-operative and a competitive relationship that would typically exist between Mecca and other business organisations. (20 marks)
- (B) Evaluate the role of the Director of Equality Investigations in solving conflicts in business. (20 marks)
- (C) Under the terms of the Industrial Relations Act 1990 explain
- (i) The reasons for legitimate trade disputes

OR

Under the terms of the Unfair Dismissals Act 1977/1993 explain

- (ii) The grounds for dismissal that are deemed to be unfair. (20 marks)

(60 marks)

Domestic/International Environment

Question 2

- (A) Using examples, analyse the role of the Irish Government in creating a suitable climate for business enterprises in the state. (20 marks)
- (B) Describe two reasons why a business enterprise might change its organisational structure over time. Use illustrations to support your answer. (20 marks)
- (C) Explain why you would recommend a private Limited Company as a type of business organisation for a new business venture. (20 marks)

(60 marks)

Domestic/International Environment

Question 3

The Irish economy faces many opportunities and challenges in the international environment. The economy is greatly influenced by the ability of Irish enterprises to market Irish produced products abroad and also by the challenge faced from foreign competitors.

- (A) Define Global marketing.
Discuss the role of global Marketing in international business. (20 marks)
- (B) Explain, using examples, the impact of Transnational companies in Ireland. (20 marks)
- (C) Discuss two business opportunities for Irish business in ‘developing’ markets e.g., in the European Union. (20 marks)
- (60 marks)**

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SECTION 3

Part 2

Enterprise

Managing

Question 4

- (A) Define 'Organising'.
Illustrate the importance of good organisation for the success of a business enterprise. (15 marks)
- (B) Evaluate how two different types of planning contribute to the success of a business or community enterprise. Use examples in your answer. (20 marks)
- (C) Draft a typical agenda for, and the minutes of, the AGM of a limited company. (25 marks)
- (60 marks)**

Changing Role of Management

Question 5

- (A) Explain how the Empowerment of Workers and Total Quality Management have changed the role of managers. (20 marks)
- (B) Outline the benefits of teamwork to the employees of a business organisation. (20 marks)
- (C) Illustrate how the introduction of technology affects an enterprise's
- (i) Business costs and
 - (ii) Business opportunities. (20 marks)
- (60 marks)**

Managing

Question 6

- (A) Illustrate the benefit for the good financial management of a business of the:
- (i) Profit and Loss account
and
 - (ii) The Balance Sheet. (20 marks)
- (B) (i) Using two ratios in each case, analyse the profitability and liquidity trends in Calty Construction Co. Ltd., from the following figures for 2002 and 2003.
- (ii) Suggest how the trends might be improved.

	<u>2002</u>	<u>2003</u>	
<i>Current Assets</i>	15,900	16,800	
<i>Net Profit</i>	15,100	12,285	
<i>Equity Share Capital</i>	100,000	105,000	
<i>Current Liabilities</i>	8,100	7,400	
<i>Closing Stock</i>	9,100	12,400	
<i>Gross Profit</i>	45,150	40,950	
<i>Retained Earnings</i>	20,000	21,000	
<i>Sales</i>	169,500	157,500	(40 marks)

(60 marks)

Business in Action

Question 7

The main objective of marketing is to ensure that the business enterprise obtains the revenues it needs to achieve its profit targets.

- (A) Define Market Research.
Explain the reasons why a business enterprise would conduct it. (25 marks)
- (B) Analyse two Market Research techniques for a product or service of your choice. (20 marks)
- (C) Explain the advantage for a business enterprise of adopting the marketing concept. (15 marks)
- (60 marks)**

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