

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, 2014

BUSINESS - ORDINARY LEVEL
(400 marks)

THURSDAY 12 JUNE 2014 – MORNING 9.30 to 12.00

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	

**REMEMBER TO RETURN THIS QUESTION PAPER WITH THE ANSWER BOOK
YOU USE FOR ANSWERING SECTION 2**

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.)

HRM	
CEO	
ICT	

2. "Apple" is one of the world's leading brands. Outline **two** benefits of having a brand name.



(i) _____

(ii) _____

3. Explain the term 'stakeholder' and list **two** examples of stakeholders in a business.

Examples:

(i) _____

(ii) _____

4. Complete the **three** missing stages of the Product Life Cycle:

Introduction			Saturation	
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5. State whether the following are functions of the **CHAIRPERSON** or **SECRETARY** at an AGM.

FUNCTIONS		CHAIRPERSON or SECRETARY
1.	Opens and closes the AGM.	
2.	Reads the minutes from the last AGM.	
3.	Ensures the Agenda is followed.	
4.	Take notes during the meeting and writes up the minutes after the meeting.	
5.	Has the casting vote if a vote is tied.	

6. The ice-cream manufacturer, Ben & Jerry's, is considered to be an ethical business. Explain the term 'ethical business'.

7. Explain the term 'Breach of Contract'.

8. Write TRUE or FALSE after each of the following statements:

STATEMENTS		TRUE or FALSE
1.	Indemnity states that you must gain from the item's existence and suffer financially from its loss.	
2.	Loading is an extra charge on the basic premium due to increased risk.	
3.	An insurance policy is a contract.	
4.	Utmost Good Faith states that the insured must be truthful about all material facts when applying for insurance.	
5.	An Assessor calculates the premium the insured must pay.	

9. (i) Calculate the Balance of Trade, using the following information. **(Show your workings)**

Visible Imports €1500m
Visible Exports €1300m

Workings:

Balance of Trade: _____

- (ii) Tick (✓) the correct box to state if the Balance of Trade is a surplus or a deficit:

Surplus

Deficit

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

Column 1: Business Terms	Column 2: Explanations	
1. Strategic Plan	A.	A plan setting out expected cash inflows and cash outflows.
2. Mission Statement	B.	A plan to ensure the business has the right number of employees with the right skills at the right time.
3. Contingency Plan	C.	A specific plan to be achieved in a relatively short term.
4. Tactical Plan	D.	The overall business aim to be achieved over the life of the business.
5. Manpower Plan	E.	A back-up plan to cover unexpected events.
	F.	A long term plan providing a focus for the whole business.

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

1.	2.	3.	4.	5.

11. Explain the following stages in the development of a new product/service:

(i) Feasibility Study _____

(ii) Prototype Development _____

12. List **two** European Union (EU) institutions.

(i) _____

(ii) _____

13. Complete the following table which refers to the Sale of Goods & Supply of Services Act 1980, by placing a tick (✓) in the correct box for each statement.

Sale of Goods & Supply of Services Act 1980

Consumer Issue	Not of merchantable quality	Not fit for purpose	Not as described	Does not match the sample
Waterproof coat that allows the water in.				
Curtains have a different pattern to that seen in the shop.				
A black phone inside a box labelled silver phone.				
The water dispenser of a fridge is leaking.				

14. List **three** grounds for which dismissal is deemed to be unfair under the Unfair Dismissals Act 1977/2007.

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

15. Explain **two** benefits to a business of having highly motivated employees.

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

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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.

Funky Fotos

Jenny spotted an offer from Funky Fotos on a daily deals website of 100 photos printed for just €5.99. Jenny signed up for the deal and went to Funky Fotos. She uploaded her 5'x7' photos for printing and was told to come back the next day to collect them as they were extremely busy.

Jenny returned the following day to collect the photos. She was told the price was €10.99. She referred to the 'deal' that she signed up for but the shop assistant told her that the deal was for 4'x 6' photos only. Jenny contacted the National Consumer Agency, which had already received many similar complaints about the Funky Fotos offer.

TODAY'S DEAL

Funky Fotos

Photos printed immediately

Special Offer

100 Photos
Only €5.99

- (A) Explain how Funky Fotos has broken the terms of the Consumer Protection Act 2007. (Refer to the text in your answer). (15 marks)
- (B) Outline **two** courses of action the National Consumer Agency can take against Funky Fotos. (15 marks)

Junior Doctors Industrial Action



In October 2013, junior doctors held a one-day strike action against the Health Service Executive (HSE) in relation to working hours and conditions. They were represented by their Trade Union, the Irish Medical Organisation (IMO), and they engaged in picketing outside public hospitals. Following the industrial action, the IMO and the HSE returned to the Labour Relations Commission (LRC).

- (C) List **three** reasons, other than working conditions, which may cause industrial relations disputes. (15 marks)
- (D) Explain the terms underlined above. (15 marks)
- (E) Explain **two** functions of the Labour Relations Commission (LRC). (15 marks)
- (75 marks)**

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DOMESTIC/INTERNATIONAL ENVIRONMENT

QUESTION 2

Read the information supplied and answer the questions which follow.



Glanbia plc, one of Ireland's top agri-businesses, produces food products for the Irish and international markets. It is based in Kilkenny, employs over 3,500 people in 14 countries, and had an annual turnover of €2.9 billion in 2012.

- (A) (i) Glanbia plc operates in the secondary sector of the economy. Explain what is meant by the 'secondary sector'.
(ii) Name the **two** other sectors of the economy. (15 marks)
- (B) Explain **two** benefits to the people of Kilkenny and the wider community, of Glanbia plc being located there. (15 marks)
- (C) Outline **two** benefits to Glanbia plc of being located in 14 different countries. (15 marks)
- (D) Glanbia is a Public Limited Company (plc). Explain **two** benefits of operating as a plc. (15 marks)
- (E) Outline **two** challenges that the agri-business sector in Ireland may face. (15 marks)
(75 marks)

DOMESTIC/INTERNATIONAL ENVIRONMENT

QUESTION 3

Read the information supplied and answer the questions which follow.

Employment levels in the **hospitality sector** in Ireland:

2005: 135,000 **2007:** 133,000 **2009:** 130,000 **2011:** 115,000 **2013:** 130,000

The 2014 Budget retained the reduced 9% Value Added Tax (VAT) rate in the hospitality/tourism sector.

- (A) Construct a Line Graph to represent the above employment levels in the hospitality sector in Ireland. (You may use graph paper) (15 marks)
- (B) Outline **two** benefits to the tourism/hospitality sector of the reduced 9% VAT rate. (15 marks)
- (C) Outline **two** other ways the Government assists businesses in Ireland. (20 marks)
- (D) Name **three** taxes, other than VAT, which the Government collects. (15 marks)
- (E) Explain the term 'privatisation of a state-owned enterprise'. (10 marks)
(75 marks)

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PART 2

ENTERPRISE/MANAGING

QUESTION 4

Read the information supplied and answer the questions which follow.

West Coast Surf

In 2013, Jordan Casey was made redundant from his job at a factory in Sligo town. He received a redundancy package and decided he would like to set up his own business in the seaside town of Castlemore. Jordan has enjoyed surfing as a hobby since he was in school. He realised that surfing was becoming a very popular sport and spotted a gap in the market to provide surfing lessons at his local beach. He carried out a SWOT analysis of the potential business idea. Jordan was aware of his limitations. He approached the County Enterprise Board, who provided a mentoring service to him.

- (A) Outline **three** enterprising skills/characteristics displayed by Jordan.
(Refer to the text in your answer). (15 marks)
- (B) Jordan turned his hobby into a business opportunity.
Outline **two** other sources of new business ideas. (15 marks)
- (C) Explain **two** long-term sources of finance Jordan could use to set up his business. (15 marks)
- (D) Explain why Jordan should carry out a SWOT analysis. (15 marks)
- (E) Outline how the mentoring service provided by the County Enterprise Board works. (15 marks)
(75 marks)

MANAGING/BUSINESS IN ACTION

QUESTION 5

Read the information supplied and answer the questions which follow.

BestoPesto

Maria Conlon is the manager of BestoPesto, a manufacturer of cooking sauces. BestoPesto produce sauces in five different flavours. Recently there has been an increase in consumer complaints about the products. Maria realises that her business needs to improve its quality control measures. Maria sent a memo to the staff informing them of a staff meeting to be held on Friday 27th June 2014 at 9.00am in the conference room to discuss quality control issues.

- (A) Explain **two** types of leadership styles. (15 marks)
- (B) Explain why BestoPesto would use batch production methods for its sauces. (15 marks)
- (C) (i) Explain the term 'Quality Control'.
(ii) Outline **one** method that BestoPesto could use to improve quality control. (20 marks)
- (D) Using today's date, draft the memo sent by Maria Conlon to the staff informing them of the upcoming staff meeting. (10 marks)
- (E) Outline **two** advantages of meetings as a method of communication. (15 marks)
(75 marks)

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MANAGING/BUSINESS IN ACTION

QUESTION 6

Read the information supplied and answer the questions which follow.

SMARTSELL

Smartsell is a technology enterprise providing software to retail stores. It is currently operating in the Irish market but sees an opportunity to expand into the UK market. It will require a number of new skilled employees to help develop its business in the UK market. The HR Manager is preparing a Job Description and a Person Specification for each position. All new employees will receive 'on the job' training and 'off the job' training when they join the business. Employees are rewarded by bonuses and they receive benefits-in-kind.

- (A) Outline **two** reasons for business expansion. (15 marks)
- (B) Explain the **four** underlined terms. (20 marks)
- (C) Explain the difference between 'on the job' training and 'off the job' training. **(Refer to Smartsell in your answer)**. (10 marks)
- (D) List **two** methods of advertising the job vacancies. (10 marks)
- (E) Niall Ryan was successful in his application to work as a Software Engineer at Smartsell. Calculate his Net Annual Take-home pay from the following information:

Niall will earn €60,000 Gross Pay per year.
He pays PAYE at 20 % on the first €32,800 and 41% on the remainder.
He has annual tax credits of €3,600.
He pays PRSI at 4% and USC at 3%, both calculated on his gross pay.

(20 marks)
(75 marks)

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MANAGING

QUESTION 7

Read the information supplied and answer the questions which follow.

Sanders Household



Linda and Paul Sanders live in their own home with their two children. Linda works as an Office Manager in a large printing company. Paul is a Sales Representative for a furniture store. Linda prepares a household budget every year and must include the purchase of a second car in the expenditure section this year. The Sanders' family are considering taking out a medium term bank loan to purchase the car. They currently have an overdraft facility on their current account.

- (A) Outline **two** types of insurance the Sanders household might have. (15 marks)
 - (B) Outline **two** reasons why the Sanders household would prepare a Household Budget. (15 marks)
 - (C) Outline **two** factors the Sanders household must consider before taking out a medium term bank loan. (15 marks)
 - (D) Explain **three** features of a Current Account. (15 marks)
 - (E) Outline **one** similarity and **one** difference for Linda between managing her office and managing her home. (15 marks)
- (75 marks)**

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BUSINESS IN ACTION

QUESTION 8

Read the information supplied and answer the questions which follow.

Madra Mia



Madra Mia, located in Cork city since 2000, provides a dog grooming service and products for animal care. Business was booming for the first few years but has experienced a decline in customers since the economic downturn. The business is currently in a break-even situation but Niamh Murphy, its owner, is considering offering new products and services to customers. She plans to conduct market research. She will use the information gathered to set prices and develop sales promotion techniques. She will update her business plan following her research.

- (A) (i) List **two** methods of field research which Niamh could use.
(ii) Explain **one** advantage of **each** method. (20 marks)
- (B) Explain the term 'break-even'. (10 marks)
- (C) Outline **two** factors Niamh must consider before setting the price of her products and services. (15 marks)
- (D) Describe **two** sales promotion methods to increase sales for Madra Mia. (15 marks)
- (E) Outline **two** benefits of preparing a business plan. (15 marks)
(75 marks)

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