

WARNING

You must return this section with your answer book, otherwise marks will be lost.

Candidate's Examination Number



Coimisiún na Scrúduithe Stáit State Examinations Commission

JUNIOR CERTIFICATE EXAMINATION, 2009

BUSINESS STUDIES – HIGHER LEVEL – PAPER I

TUESDAY, 9 JUNE 2009 – MORNING, 9.30 – 12.00

SECTION A (80 marks)

Answer all 20 questions. Each question carries 4 marks.

Calculators may be used.
Make and Model of Calculator Used:



1. Identify **two** examples of input devices and **two** examples of output devices used in IT:

INPUT DEVICES	(i)
	(ii)
OUTPUT DEVICES	(i)
	(ii)

2. A person borrowed €13,500 for two years at 6%.

Calculate the flat rate of interest/simple interest this person will pay: (Show your workings.)

Answer:
€ _____

Workings:

3. List **two** examples of sales promotion methods used to sell goods in a retail outlet.

- (i) _____

- (ii) _____

4. Complete the following Trading Account by filling in the **four** unshaded areas, numbered (i) to (iv):

Trading Account for year ending 31-03-2009			
	€	€	€
Sales			(i)
Stock (1-04-08)		90,000	
(ii)	58,000		
Carriage Inwards	2,000	140,000	
		230,000	
(iii)		60,000	
			170,000
(iv)			130,000

5. Explain **two** ways in which a company might use its retained earnings/reserves:

- (i) _____

- (ii) _____

6. The following figures appear in a company's Final Accounts:

Net Profit €30,000 Capital Employed €600,000

Calculate the Return on Capital Employed:
 (Show your workings.)

Answer:
_____ %

Workings:

7. On 1 June 2009, C. Allen sold goods on credit to K. Davoren for €1,500. There was no VAT on these goods.

Complete the ledger accounts of C.Allen, showing the names of the accounts and the relevant details, numbered (i) to (iv):

(i) _____ A/c

Dr			Cr		
Date	Details	€	Date	Details	€
2009 June 1	(ii)	32,000			

(iii) _____ A/c

Dr			Cr		
Date	Details	€	Date	Details	€
			2009 June 1	(iv)	32,000

8. Explain the term **Mixed Economic System**:

9. Select the correct document from the following list to complete each of the **four** unshaded areas in the chart below in the correct sequence:

Cheque	Credit Note	Quotation	Invoice
--------	-------------	-----------	---------

Buyer Sends	Seller Sends
1. Letter of Enquiry	2.
3. Order	4.
5. Returns	6.
8.	7. Statement
8.	9. Receipt

10. **Column 1** is a list of consumer terms. **Column 2** is a list of statements which can be matched to these terms. (One statement does not refer to any of the consumer terms.)

Consumer Terms	Statements
1. Consumer	A. Form of compensation.
2. Redress	B. Let the buyer beware.
3. Merchantable Quality	C. Written promise which adds to consumer rights.
4. Guarantee	D. Person who buys goods and services for own use.
	E. Goods must be fit to be sold.

Match the two lists by placing the letter of the most appropriate statement under the relevant number below:

1.	2.	3.	4.

11. A debtor owed a business €15,000. The debtor was declared bankrupt and paid 35 cent in the euro. The balance was written off as a bad debt.

Calculate the amount written off as a bad debt: (Show your workings.)

Answer:
€

Workings:

12. Study the following channel of distribution:



Explain **two** reasons why this channel of distribution may arise:

(i) _____

(ii) _____

13. Complete and balance the Debtors Control Account on 30 April 2009 from the following information:

	€
Debtors balance on 30 April 2009	4,700
Total credit sales for April	21,590
Total cash received from debtors in April	17,800

Debtors Control Account							
Dr	Date	Details	€	Cr	Date	Details	€

OR (Alternative Format)

Debtors Control Account				
Date	Details	Dr	Cr	Balance
		€	€	€

14. Name **one** State-owned business involved in **each** of the following activities:

(i)	COMMUNICATIONS	
(ii)	TRANSPORT	
(iii)	HEALTH INSURANCE	
(iv)	MARKETING	

15. Tick (✓) the appropriate columns to indicate where in the final accounts of a hairdressing service business the following items should be entered on 31/5/2009:

	Operating Statement	Balance Sheet
Client fees		
Wages		
Stock of hair products (31/5/2009)		

16. Explain **two** duties of a shop steward in any organisation:

(i) _____

(ii) _____

17. (i) Enter the following balances in the partially completed General Journal of Browne Ltd:

1 January 2009 Premises €240,000
 Creditor: Casey Ltd €21,000

- (ii) Calculate the Ordinary Share Capital:

Browne Ltd – General Journal				
Date	Details	F	Dr	Cr
			€	€
	Bank	CB1	47,000	
	Premises	GL1		
	Creditor: Casey Ltd	CL1		
	Ordinary Share Capital	GL2		
	Assets, Liabilities and Share Capital of Browne Ltd on this date.			

18. Enter the following transaction in the Purchases Returns Book of Lynch Ltd:

On 3 June 2009, Lynch Ltd returned goods €4,000 to Murray Ltd (Credit Note No. 5).
The VAT rate on these goods is 21½ %.

Lynch Ltd – Purchases Returns Book						
Date	Details	C N No.	F	Net €	VAT €	Total €

19. On 1 May 2009, a petty cashier had an imprest of €100. During the month of May, she spent €19 on postage, €36 on travel and €25 on cleaning.

(i) Explain the term **Imprest**.

(ii) Calculate the amount the petty cashier will require to restore the imprest.
Show your workings.

Answer:
€

Workings:

20. Using your knowledge of the factors of production and their rewards/payments, fill in the missing information in the **four** unshaded areas below:

Factors of Production		Reward/Payment
(i)	Land	
(ii)		Interest
(iii)	Enterprise	
(iv)		Wages

For use with Section B - Question 1(A)

Budget Comparison Statement for the Casey household for the year 2008

INCOME	Budget Jan – Dec €	Actual €	Difference €
Salaries	52,000		
Child benefit	3,600		
Interest	540		
Other			
TOTAL INCOME	56,140		
EXPENDITURE			
<i>Fixed</i>			
Mortgage	10,200		
Car insurance	670		
House insurance	580		
Subtotal	11,450		
<i>Irregular</i>			
Household costs	8,880		
Car costs	1,640		
Clothing and footwear costs	1,900		
Light and heat costs	3,100		
Health insurance	1,600		
Subtotal	17,120		
<i>Discretionary</i>			
Entertainment costs	3,000		
Presents	1,000		
Holidays	7,500		
Subtotal	11,500		
TOTAL EXPENDITURE	40,070		
Net Cash	16,070		
Opening Cash	2,225		
Closing Cash	18,295		

Note: Do not complete the shaded boxes

For use in answering Section B – Question 1(B and C)

1. (B)

(i)	How much had the Casey household budgeted to save during 2008?	Answer:	€
(ii)	What was the budgeted closing cash at the end of 2008?	Answer:	€
(iii)	What was the actual closing cash at the end of 2008?	Answer:	€
(iv)	State by how much the Casey household's Actual Total Expenditure differed from their Budgeted Total Expenditure.	Answer:	€

(v) Explain **one** possible reason why the health insurance company increased its charges.

1. (C)

(i) Outline **two** pieces of financial advice you would give the Casey household in light of the 'Actual' 2008 Budget.

1 _____

2 _____

(ii) Give **two** reasons why the Casey household would prepare a budget.

1 _____

2 _____

Document for use with Section B – Question 6 (A)

Workings

Gross Pay	PAYE
Tax Credit	Other

(i)

Wage Slip		
Name:		
Week No:		
Basic Pay	€	
Overtime	€	
Gross Pay	—————▶	€
Tax Credit	€	
Deductions:		
PAYE	€	
PRSI	€	
Trade Union	€	
Savings	€	
Total Deductions	—————▶	€
Net Pay	—————▶	€

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