

**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 2013

### BUSINESS STUDIES – HIGHER LEVEL – PAPER I

TUESDAY 11 JUNE 2013 – MORNING 9.30 – 12.00

#### SECTION A

(80 marks)

- Each question in Section A carries 4 marks.
- Answer **ALL** questions.
- Marks will be awarded for workings, layout and presentation including, where appropriate, folios and dates.
- Dates should show the day, month and year.
- Calculators may be used.

# SECTION A

(80 marks)

Answer all 20 questions. Each question carries 4 marks.

---

1. The following initials are used in Income. What do they stand for?

<b>PAYE</b>	
<b>USC</b>	
<b>PRSI</b>	

2. Identify **one** example of Government Capital Income and **one** example of Government Capital Expenditure.

<b>CAPITAL INCOME</b>	
<b>CAPITAL EXPENDITURE</b>	

3. Complete the Balance Sheet (extract) below by filling in the **three** unshaded areas, numbered **(i)** to **(iii)**:

<b>Summary Balance Sheet as on 31-12-2012</b>		
	€	€
<b>(i)</b>		
Share Capital		100,000
Reserves		<b>(ii)</b>
		400,000
Long-Term Liabilities		130,000
<b>(iii)</b>		530,000

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

**Opening Stock €30,000      Cost of Sales €450,000      Closing Stock €15,000**

Stock Turnover is calculated as follows:  $\frac{\text{Cost of Sales}}{\text{Average Stock}}$

Using the above figures, calculate the Stock Turnover.  
Show your workings.

<b>Answer</b>
times

Workings

5. Explain **two** reasons why farmers prepare accounts.

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

6. On 8 June 2013, B. Adams, a baker, sold goods for €50.00 cash. There was no VAT on these goods.

Complete the following **ledger accounts of B. Adams** showing the names of the accounts and the relevant details, numbered **(i)** to **(iv)**:

(i) \_\_\_\_\_ A/c

Dr			Cr		
Date	Details	€	Date	Details	€
2013 June 8	(ii)	50.00			

(iii) \_\_\_\_\_ A/c

Dr			Cr		
Date	Details	€	Date	Details	€
			2013 June 8	(iv)	50.00

7. Complete **and** balance the Creditors Control Account on 31 May 2013 from the following information:

	€
Creditors balance on 1 May 2013	4,400
Total credit purchases for May	9,300
Total cash paid to creditors in May	11,900

Creditors Control Account					
Dr					Cr
Date	Details	€	Date	Details	€

**OR (Alternative Format)**

Creditors Control Account				
Date	Details	Dr	Cr	Balance
		€	€	€

8. Give **three** uses of Information Technology in the home.

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

(iii) \_\_\_\_\_

9. Tick (✓) the appropriate column(s) to indicate where in the Final Accounts of a Dentist (service business) the following items should be entered on 31/12/2012:

	Operating Statement	Balance Sheet
Equipment		
Income from Patients		
Stock of Dental Materials 31/12/2012		

10. State **two** principles in Irish consumer law relating to advertising.

(i) \_\_\_\_\_

\_\_\_\_\_

(ii) \_\_\_\_\_

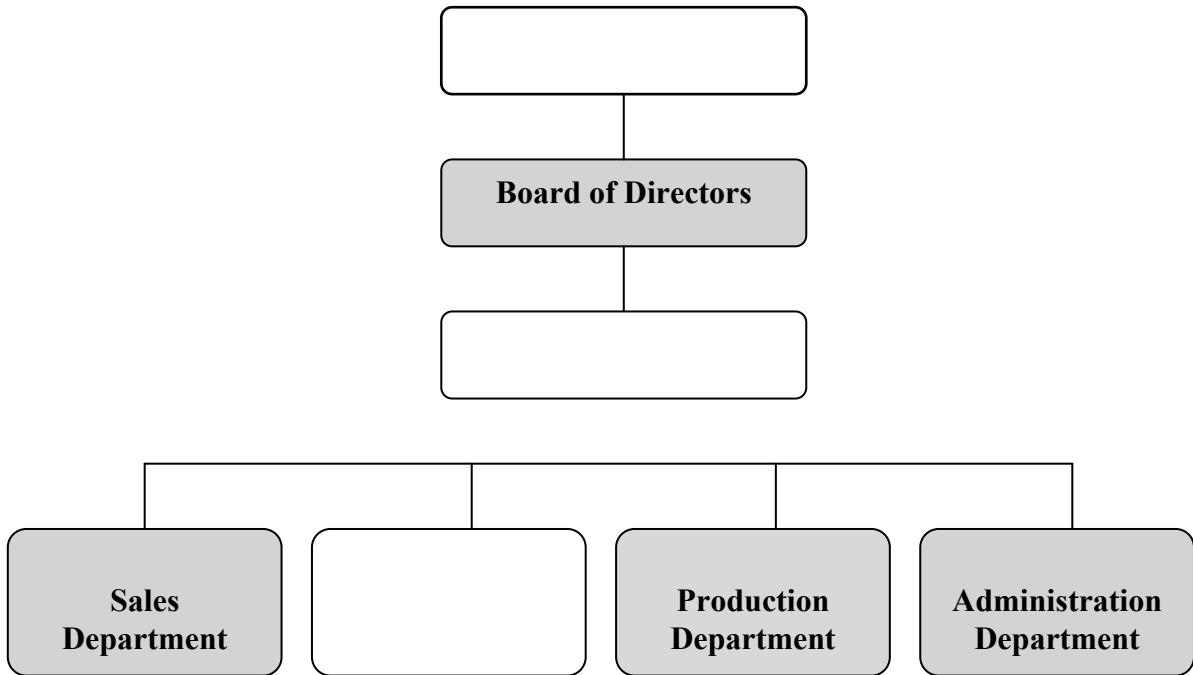
\_\_\_\_\_

11. Enter the following balances in the partially completed General Journal of Cummins Ltd:

1 January 2013	Buildings	€520,500
	Creditors	€12,800
	Ordinary Share Capital	€513,600

Cummins Ltd – General Journal				
Date	Details	F	Dr	Cr
			€	€
	Bank	CB <sub>1</sub>	5,900	
	Buildings	GL <sub>1</sub>		
	Creditors	CL <sub>1</sub>		
	Ordinary Share Capital	GL <sub>2</sub>		
	<i>Assets, Liabilities and Share Capital of Cummins Ltd on this date.</i>			

12. Complete the Organisational Chart of a limited company that has four departments, by filling in the **three** unshaded areas:



13. Complete the following extract from an invoice:

	€
Total (excluding VAT)	<b>900.00</b>
Trade Discount <b>15%</b>	
Subtotal	
VAT <b>23%</b>	
Total (including VAT)	

14. Using your knowledge of currencies complete the table below:

	Country	Currency
(i)	United Kingdom	
(ii)	Japan	
(iii)	U.S.A.	

15. (i) The cost of living in a country in 2011 was €8,500. In 2012, it was €8,755.

Calculate the rate of inflation. (Show your workings.)

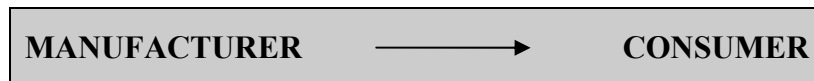
<b>Answer</b>
%

Workings

- (ii) In Ireland, what is the official measure of inflation called?

---

16. Study the following channel of distribution:



- (i) State a product or service suited to this channel of distribution.

---

- (ii) State **one** advantage from this channel of distribution for the manufacturer **or** the consumer.

---

---

---

17. **Column 1** is a list of Marketing Terms. **Column 2** is a list of Statements that can be matched to these Marketing Terms.

*(One statement does not refer to any of the Marketing Terms.)*

Marketing Terms	Statements
1. Target Market	A. Gathering information from existing sources
2. Marketing Mix	B. People expected to become customers
3. Desk Research	C. Gathering information from interviews
	D. Product, Price, Place and Promotion

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

1.	2.	3.

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

On 9 May 2013, Diamond Ltd returned goods €12,500 to Park Ltd (Credit Note No. 10). The VAT rate on these goods was 23%.

Diamond Ltd – Purchases Returns Book						
Date	Details	CN No.	F	Net €	VAT €	Total €





19. Complete the Profit & Loss Appropriation Account by filling in the **three** unshaded areas, numbered (i) to (iii), from the following information:

Authorised Share Capital    €900,000  
 Issued Share Capital        €800,000  
 Dividends paid                2%

Profit & Loss Appropriation Account for year ending 31-12-2012		
Net Profit		€ <b>90,000</b>
Less Dividends		<b>(i)</b>
<b>(ii)</b>		<b>(iii)</b>

20. Identify **three** different **types** of communication demonstrated below. Write your answers in the spaces provided.

	<p><b>How does Lady Gaga like her steak?</b></p>  <ul style="list-style-type: none"> <li>■ Well done</li> <li>■ Rare</li> <li>■ Medium Rare</li> <li>■ RAW RAW RAW RAW</li> </ul>	<p><i>ABC Ltd</i></p> <p><b>Memo</b></p> <p>From: Martin Corbett Date: 11 June 2013</p> <p>Please remember Staff Meeting at 11.00 a.m. tomorrow</p>
(i)	(ii)	(iii)

**For use with Section B - Question 1(A)**

**Budget Comparison Statement for the Feeney household for the year 2012**

INCOME	Budget Jan – Dec €	Actual €	Difference €
Salaries	42,500		
Child benefit	3,360		
Interest	200		
Other			
<b>TOTAL INCOME</b>	46,060		
EXPENDITURE			
<i>Fixed</i>			
Mortgage	12,600		
Car insurance	430		
House insurance	640		
Subtotal	13,670		
<i>Irregular</i>			
Household costs	7,200		
Car costs	1,800		
Clothing and footwear costs	2,050		
Light and heat costs	3,400		
Medical insurance	2,300		
Subtotal	16,750		
<i>Discretionary</i>			
Entertainment costs	2,400		
Presents	600		
Holidays	4,300		
Subtotal	7,300		
<b>TOTAL EXPENDITURE</b>	37,720		
Net Cash	8,340		
Opening Cash	1,200		
Closing Cash	9,540		

*Note: Do not complete the shaded boxes*

<b>For use in answering Section B – Question 1(B and C)</b>
---

**1. (B)**

(i)	What was the budgeted closing cash at the end of 2012?	<b>Answer:</b>	€
(ii)	How much had the Feeney household budgeted to save during 2012?	<b>Answer:</b>	€
(iii)	State by how much the Feeney household exceeded their Budgeted Total Expenditure.	<b>Answer:</b>	€
(iv)	What was the actual closing cash at the end of 2012?	<b>Answer:</b>	€

(v) Explain **one** reason why the car insurance was less than budgeted.

---



---



---

**1. (C)**

(i) Outline **two** pieces of financial advice you would give the Feeney household in light of the ‘Actual’ 2012 Budget.

1. \_\_\_\_\_

\_\_\_\_\_

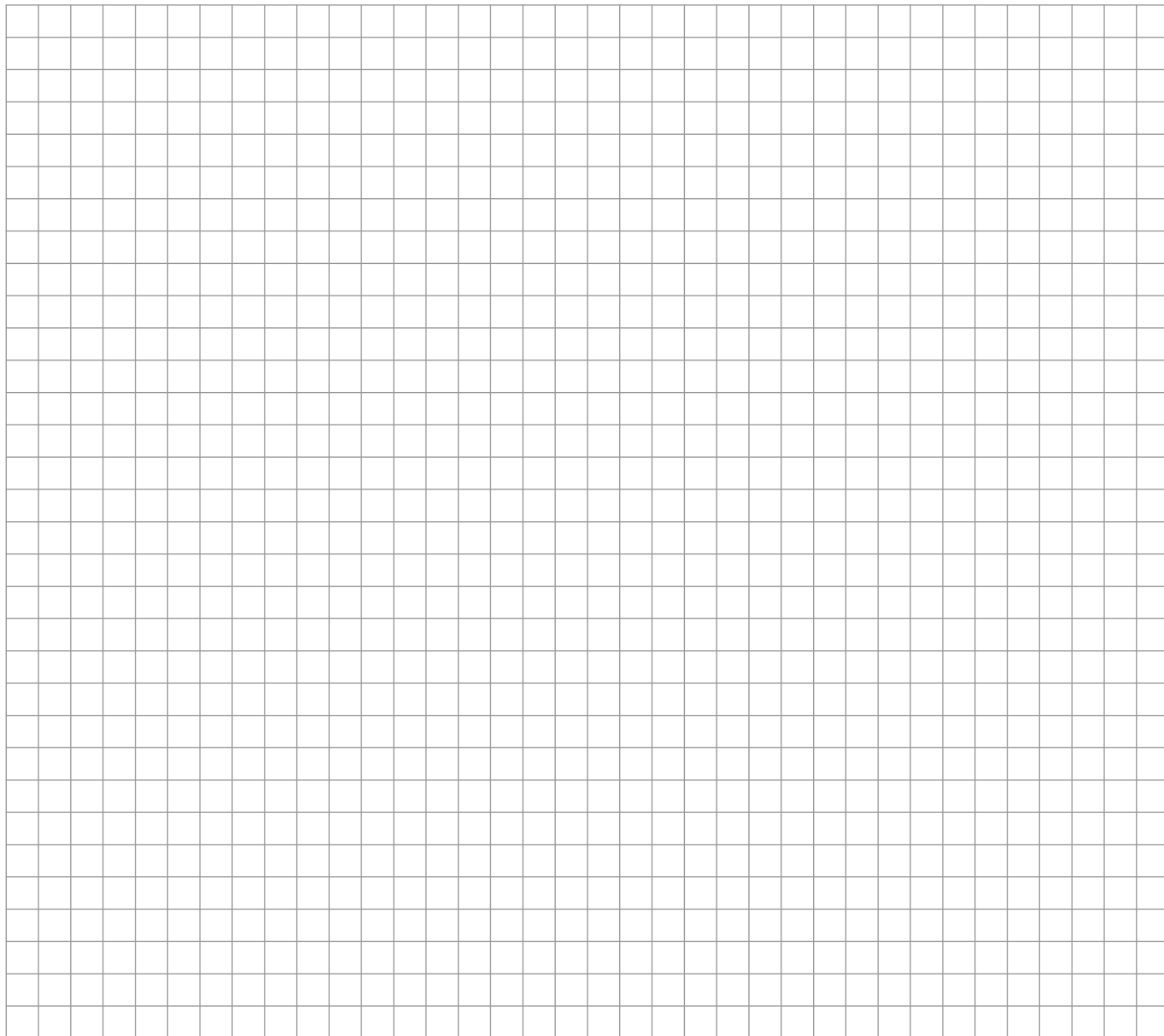
2. \_\_\_\_\_

\_\_\_\_\_

(ii)	Name the tax that must be paid on the interest the Feeney household receives.	<b>Tax:</b>	
------	---	-------------	--

**For use with Section B - Question 3 (B) (i)**

**(B) (i)** Draw a bar chart to show the information.



**For use with Section B - Question 4 (A) (i)**

<b>Ward Insurances Ltd - Claim Form</b>			
Name			
Address			
Policy No.			
Occupation			
<b>Details of Loss/Damage</b>			
Date			
Location			
Description of items lost/damaged	Value (€)	Date of Purchase	
Was loss/damage reported to the Garda Síochána? <i>(Tick (✓) YES or NO)</i>		YES	NO
If 'Yes', please complete this section: <span style="font-size: 1.5em; vertical-align: middle;">⇒</span>	Date of reporting		
	Garda Station		
	Garda who took details		
Signed			
Date			

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

**Workings**

<b>Gross Pay</b>	<b>PAYE</b>
<b>Tax Credit</b>	<b>Other</b>

(ii)

<b>Wage Slip</b>		
Name:		
Week No:		
Basic Pay	€	
Overtime	€	
<b>Gross Pay</b>	—————→	€
Tax Credit	€	
<b>Deductions</b>		
PAYE	€	
PRSI/USC	€	
Health Insurance	€	
Savings	€	
<b>Total Deductions</b>	—————→	€
<b>Net Pay</b>	—————→	€

**PLEASE REMEMBER TO RETURN THIS 'SECTION A' WITH YOUR ANSWER BOOK**

**Blank Page**

**Blank Page**