2019J042C1ES

Coimisiún na Scrúduithe Stáit

State Examinations Commission

Junior Cycle Final Examination

Sample Paper

Business Studies

Common Level

Time: 2 hours

270 marks

Examination number

Centre Stamp

2019J042C1E0124S

Instructions

There are two sections in this examination paper.

Section A 15 Questions 90 marks

Section B 3 Questions 180 marks

Answer all questions.

You may only use blue or black pen when writing your answers. Do not use pencil.

Write your answers in the spaces provided in this booklet.

This examination booklet will be scanned and your work will be presented to an examiner on screen. Anything that you write outside of the answer areas may not be seen by the examiner.

Calculators may be used.

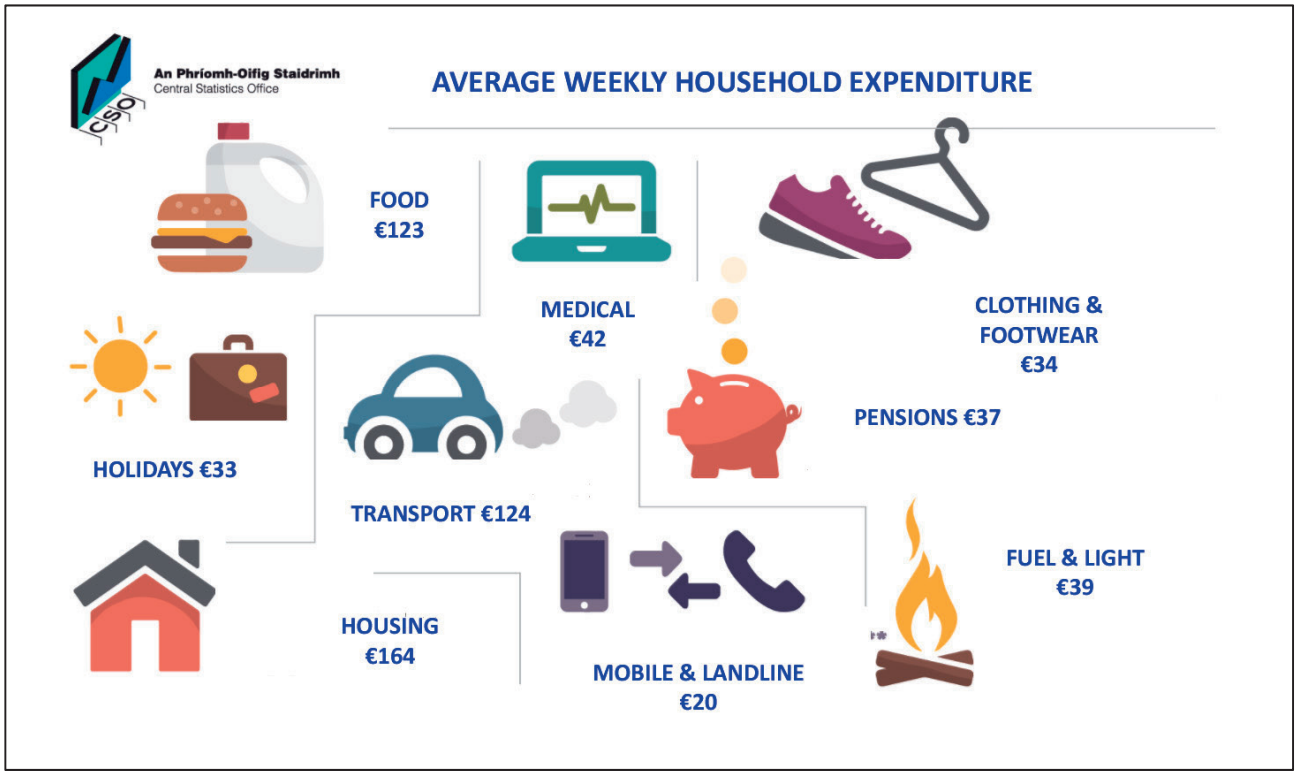
Write the make and model of your calculator here:

Section A — 90 marks

Answer all questions.

All questions carry equal marks.

Question 1



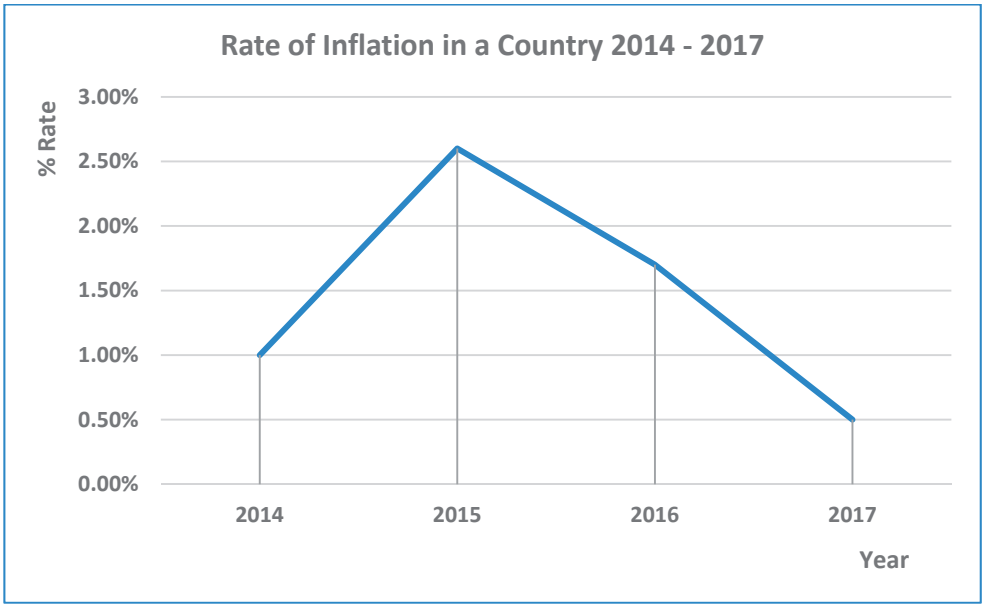
Using the above graphic identify **one** example each of fixed, irregular and discretionary expenditure.

Write your answers in the table below.

Fixed Expenditure	**Irregular Expenditure**	**Discretionary Expenditure**
Example:	Example:	Example:

Question 2

The rate of inflation in a country over four years is shown in the graph below.



Using the above information answer the following questions.

(a) Which year has the highest rate of inflation?

_____

(b) State **one** way in which a large increase in the rate of inflation may affect consumers in an economy.

_____

_____

_____

_____

Question 3

'A living wage provides for needs not wants.'

www.livingwage.ie

Explain the difference between needs and wants. Give an example in **each** case.

Example of need:

Example of want:

Question 4

Using the information given on the invoice extract below complete the three blank spaces.

	€
Total (excluding VAT)	27,000
Trade discount (10%)	2,700
Subtotal	
VAT (23%)	
Total (including VAT)	

Question 5

'The government has announced grants of €56m to over 1,700 sporting projects under the Sports Capital Programme. This benefits sports teams, organisations and associations around the country.'

Adapted from: www.independent.ie/sport

(a) The GAA is one group that benefits from this programme. The GAA is a cultural enterprise.

What is meant by cultural enterprise?

(b) GAA clubs may use the grant to purchase assets.

State **one** example of an asset that a GAA club might purchase.

Question 6

Róisín Ó Brien, an entrepreneur, intends to set up a t-shirt printing company in Wexford called *Trendy T-Shirts* at the end of next year. In her spare time Róisín volunteers in her local sports centre helping to manage the accounts.

State **two** benefits for Róísín, as an entrepreneur, of volunteering in her local sports centre.

1.

2.

Question 7

The graphic below shows Irish Government spending by category for 2018.

2018 Total Expenditure: €72.5 billion			
Justice €2.6 billion	Health €15.3 billion	Education €10.1 billion	Social Protection €20.0 billion
Agriculture €1.5 billion	Debt Servicing, EU Payments €10.8 billion	Transport €2.0 billion	Other €10.2 billion

(a) In which category does the Government spend most?

_____

(b) State **one** capital and **one** current expenditure under the health category.

Capital: _____

_____

Current: _____

_____

Question 8

Complete the following extract of the balance sheet (statement of financial position) of O'Gorman Ltd as at 31/12/2018.

Depreciation on buildings is 2% of cost

Depreciation on vehicles is 15 % of cost

Fixed Assets	Cost	Depreciation	Net Book Value
	€	€	€
Buildings	500,000		
Vehicles	65,000		

Question 9

SOLAS Ltd is considering purchasing a new electric or hybrid sales vehicle.

(a) Tick (✓) the most suitable source of finance that might be used to purchase this vehicle.

Short term ☐

Medium term ☐

Long term ☐

(b) State **one** reason for your choice.

Question 10

'The Irish economy is growing three times faster than any other European country.'

Adapted from The Irish Times, February 2018

State **two** ways in which economic growth can have a positive impact on a small town in rural Ireland.

1. _____

_____

_____

2. _____

_____

_____

Question 11

Tom and Michelle have been renting an apartment for the last five years. They currently have insurance for the contents of their apartment valued at €25,000. They have been reviewing their insurance requirements to save some money. They have received a quote for contents from BE Insurance Ltd as follows:

€6.50 per €1,000.

There is also a discount of 25% for online applications.

They decide to accept the quote and apply online.

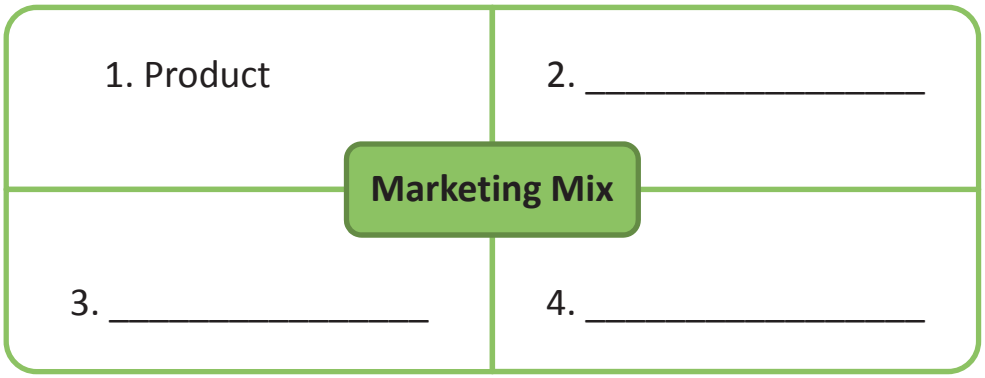
Calculate the cost of Tom and Michelle's contents insurance.

Workings

Answer: €

Question 12

(a) On the diagram below complete the remaining three elements of the marketing mix.



(b) Use a tick (✓) to identify whether **each** of the following is an example of field research or desk research.

	Field Research	Desk Research
Websites		
Conducting interviews		

Question 13

Complete the following wage slip showing gross pay, total deductions and net pay.

Employee No. 15	**Gráinne Dwyer**	Week 20	Date:	19 May 2018
PAY:	€	DEDUCTIONS:	€	
BASIC	544.00	PAYE	77.07	**T and M Motors Ltd**
OVERTIME	168.00	PRSI	28.48	
		USC	22.71	
		CYCLE TO WORK SCHEME	15.00	NET PAY
GROSS PAY		TOTAL DEDUCTIONS		

Question 14

Complete the following extract from the Quinn household budget for three months.

Months	July	August	September	Total
Net cash	520	(300)	450	670
Opening cash	375	895		375
Closing cash		595		

Workings

Question 15

In January 2018 the government introduced a scheme giving grants for solar panels for home use.

Seán and Maureen O'Mahony were considering landscaping their back garden this summer but have now decided to take advantage of the grant scheme and install solar panels in their home.

Using the above information explain what is meant by opportunity cost.

Section B — 180 marks

Answer all questions.

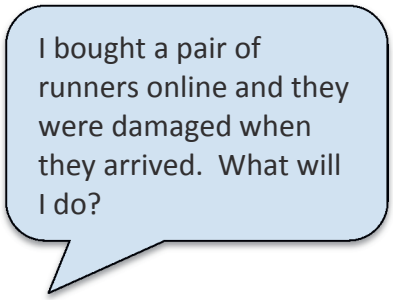
All questions carry equal marks.

Question 16

(a) (i) You sent this text message to a friend asking for consumer advice. She advised you to email the company with your complaint.

Write an email to the company ensuring the following information is included:

- Use the email address customerservice@runrun.ie for the company.
- Insert the subject of the email.
- Clearly outline the complaint.
- Explain your rights in this situation.



From:	kateogrady@mail.ie
To:	
Subject:	

(ii) Name **one** agency that could assist you if you need further support.

State **one** function of this agency.

Agency:	
Function:	

(b) 'Online spending overtook face-to-face spending in March.'

Irish Examiner, April 2018

(i) State **two** benefits for consumers when shopping online.

1. _____

_____

2. _____

_____

(ii) The European Consumer Centre Ireland (ECCI) encourages consumers to be safe when shopping online and offers helpful tips.

State **two** ways consumers can shop online safely.

1. _____

_____

_____

2. _____

_____

_____

(iii) State **one** advantage and **one** disadvantage for a business when selling online.

Advantage:

Disadvantage:

(iv) As consumers, whether purchasing online or instore we have ethical responsibilities.

State **two** ethical responsibilities that we have as consumers.

1.

2.

(c) 'The internet and globalisation have greatly increased the power that companies hold around the world.'

Adapted from www.governmenteuropa.eu

(i) What is meant by the term globalisation?

(ii) State **one** way Ireland benefits from globalisation.

Question 17

In 2014 Karina Niland saw an advertisement for the sale of a small hotel in West Cork. She carried out some research and discovered that tourist numbers have increased significantly due to the Wild Atlantic Way.

She decided to purchase the hotel. She refurbished the hotel, employed staff and opened in 2016 with the name 'Ocean Waves Hotel'.

(a) State **two** skills that Karina needs as an entrepreneur.

1. _____

_____

2. _____

_____

(b) Karina operates a small restaurant called Waves in her hotel. The government has announced that the current 9% VAT rate for the hospitality sector will be increased to 13.5% in January 2019.

State **one** effect, for restaurant owners like Karina, of this increased VAT rate.

_____

_____

_____

_____

_____

_____

(c) Karina monitors her expenses in the restaurant and has provided a partially completed analysed cash book for the month of July.

(i) Balance the analysed cash book below for Waves restaurant and complete all totals.

Analysed Cash Book for Waves Restaurant

Date	Details	Bank	Sales	VAT	Capital	Date	Details	Bank	Purchases	VAT	Light and heat	Wages
July		€	€	€	€	July		€	€	€	€	€
1	Capital	15,000			15,000	4	Purchases	2,943	2,700	243		
7	Sales	3,052	2,800	252		15	Light & heat	2,620			2,620	
19	Sales	2,180	2,000	180		21	Wages	1,750				1,750
						30	Purchases	1,962	1,800	162		
						31	Balance c/d					
Aug												
1	Balance b/d											

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(ii) Post all totals and balances from the analysed cash book of Waves restaurant to the relevant ledger accounts below. Two ledger accounts have been completed for you.

Light and Heat a/c

Date	Details	Total	Date	Details	Total
15/07/18	Bank	2,620	31/07/18	Balance c/d	2,620
		2,620			2,620
01/08/18	Balance b/d	2,620			

Wages a/c

Date	Details	Total	Date	Details	Total
21/07/18	Bank	1,750	31/07/18	Balance c/d	1,750
		1,750			1,750
01/08/18	Balance b/d	1,750			

_____ a/c

Date	Details	Total	Date	Details	Total

_____ a/c

Date	Details	Total	Date	Details	Total

_____ a/c

Date	Details	Total	Date	Details	Total

_____ a/c

Date	Details	Total	Date	Details	Total

(iii) Using the previous ledger balances complete the trial balance below for Waves restaurant.

Trial balance of Waves restaurant 31 July 2018		
	Dr	Cr

Question 18

The Pure Confectionery Company has conducted market research for its new protein bar.

(a) **(i)** Explain why the Pure Confectionery Company would conduct market research.

(ii) Explain the term target market.

(iii) Identify a suitable target market for the protein bar.

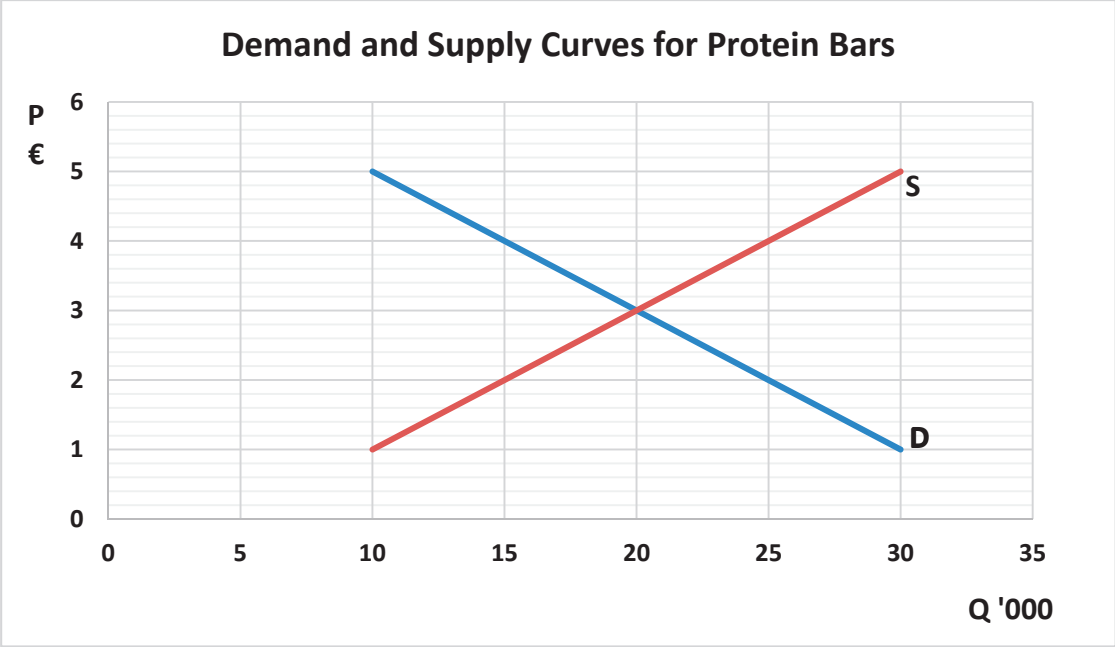
(b) The demand and supply curves for the Pure Confectionery Company's protein bars are shown in the diagram below.

(i) On the diagram below show the equilibrium price and quantity of the protein bars.

Write your answers in the spaces provided below.

Equilibrium price: €

Equilibrium quantity:



(ii) Use the above diagram to identify the price at which the Pure Confectionery Company would be prepared to supply 25,000 protein bars.

Write your answer in the space provided below.

Price: €

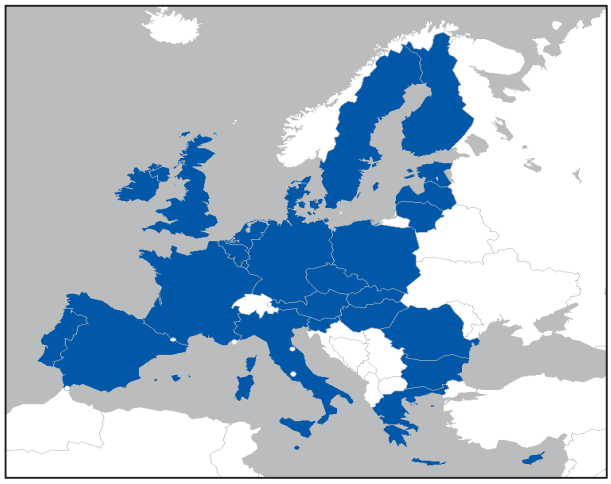
(c) The Pure Confectionery Company is planning to export to the UK market but is concerned about the effects of Brexit.

Outline **two** difficulties the company might face in selling to the UK market after the UK leaves the European Union.

1.

2.

(d)



A new poll suggests that 88% of Irish people think Ireland should remain in the European Union.

Explain **one** economic benefit and **one** social benefit of Ireland's membership of the EU.

Economic benefit:

Social benefit:

Acknowledgements

Images
Image on page 3: www.cso.ie
Image on page 23: www.rte.ie/news

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