

JUNIOR CERTIFICATE EXAMINATION, 2006

BUSINESS STUDIES – HIGHER LEVEL

**PAPER I
SECTION A
(80 marks)**

MARKING SCHEME

1.	4 marks	11.	4 marks
2.	4 marks	12.	4 marks
3.	4 marks	13.	4 marks
4.	4 marks	14.	4 marks
5.	4 marks	15.	4 marks
6.	4 marks	16.	4 marks
7.	4 marks	17.	4 marks
8.	4 marks	18.	4 marks
9.	4 marks	19.	4 marks
10.	4 marks	20.	4 marks

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BUSINESS STUDIES – HIGHER LEVEL

PAPER I
SECTION B
(160 Marks)

- All questions carry equal marks (40 marks)

MARKING SCHEME

1. Household Budget Question

- (A) Estimate: 15 figures @ 1 mark each 15 marks
Total: 15 figures @ 1 mark each 15 marks

Excluding totals of income, expenditure, all sub-totals and decorating.

[*Net Cash 4,301, 2,026]

[*Closing Cash 2,186]

(30)

- (B) (i) Dividends
(ii) Expected Closing Cash (2,115)
(iii) **Two** major reasons
(iv) **One** method (10)

(40 marks)

2. Club Account and Information Technology Question

(A) (i) Trading Account

Title & Date	1 mark
Figures & details 6 @ 1 mark each	6 marks
Correct Gross Profit figure (8080)	2 marks

(ii) Income & Expenditure Account

Title & Date	1 mark
4 calculations @ 2 mark each <i>(Adjustments and depreciation)</i>	8 marks
6 other figures with details @ 1 m each	6 marks
Correct figure (14025) and word (surplus)	4 marks

(28)

- (B) (i) Officer (Treasurer) 2 marks**
- (ii) One suitable software program 2 marks**
- (iii) Two suitable sources of finance 8 marks**

(12)

(40 marks)

3. Factors of Production, Economic Growth and Trade Question

- (A) **Four** factors of production with relevant reward/payment (8)
- (B) (i) Economic growth
(ii) **One** advantage of economic growth
(iii) Economic growth – calculation with workings (6.25%) (10)
- (C) (i) Visible and Invisible imports with **one** example of each
(ii) (a) Balance of Trade and Payments – calculations with workings
(b) Type of balance (BoT Surplus, 140 – BoP Surplus, 500)
(iii) (a) Import substitution
(b) **One** effect of import substitution on Balance of Trade (22)

(40 marks)

4. People at Work and Industrial Relations Question

- (A) (i) Title (Shop steward)
Two services shop steward can offer to James
(ii) **Three** possible reasons for dispute with Conlon Ltd.
(iii) **Three** steps to resolve industrial dispute
- (24)

- (B) (i) Commission
(ii) **One** advantage and **one** disadvantage – weekly flat wage plus commission
(iii) Benefit-in-kind and **two** examples
- (16)

(40 marks)

5. Insurance Question

- (A) (i) Claim form – completion
(ii) Compensation (€2500) – calculation
(iii) Compensation and most relevant principle – (Indemnity with explanation)
(iv) **One** other relevant principle of insurance
- (23)

- (B) (i) Premium (€453) – calculation with workings
(ii) Actuary – title of person
(iii) Compensation (€55,000) – calculation with workings and explanation
- (17)

(40 marks)

6. Banking and Borrowing Question

- (A) (i) **Two** factors for consideration
(ii) Tax (Deposit Interest Retention Tax)
(iii) **Two** separate legal requirements
(iv) **Two** other methods of saving
- (18)

- (B) Cheque and counterfoil – completion
- (6)

- (C) (i) Total cost of each option – calculation with workings
Option 1: €8140 Option 2: €6900
(ii) Recommended option with reason
- (16)

(40 marks)