

JUNIOR CERTIFICATE EXAMINATION 2001

BUSINESS STUDIES: ORDINARY LEVEL

SECTION A - MARKING SCHEME

Total Marks 100

- | | | | |
|-----|---|-----|---|
| 1. | 3 marks for one correct
5 marks for both correct | 11. | 3 for one correct
5 for both correct |
| 2. | 5 for correct answer | 12. | 2 for one correct
4 for two correct
5 for all three correct |
| 3. | 5 for correct answer | 13. | 3 marks for one correct
5 marks for both correct |
| 4. | 3 for one correct
5 for both correct
If incorrect, up to 3 for workings | 14. | 3 marks for one correct
5 marks for both correct |
| 5. | 2 for one correct
4 for two correct
5 for all three correct | 15. | 5 for correct answer |
| 6. | 2 for one correct
4 for two correct
5 for all three correct | 16. | 2 for one correct
4 for two correct
5 for all three correct |
| 7. | 3 marks for one correct
5 marks for both correct | 17. | 2 for one correct
4 for two correct
5 for all three correct |
| 8. | 'Storing documents' - 3 marks
'Quickly found' - 2 marks | 18. | 5 for correct answer |
| 9. | 5 figures @ one mark each | 19. | 5 for correct answer
If incorrect, up to 3 for workings |
| 10. | 2 for one correct
4 for two correct
5 for all three correct | 20. | 5 for correct answer
If incorrect, up to 3 for workings . |

JUNIOR CERTIFICATE EXAMINATION 2001

BUSINESS STUDIES - ORDINARY LEVEL

SECTION B - MARKING SCHEME

Total marks 300. Each Question carries 60 marks.

Q. 1 HOUSEHOLD BUDGET

(A)	80 entries @ 2 mark each	40		
	5 entries on Net Cash row @ 2 mark ea.	22		
	5 entries on Opening Cash row @ 2 mark each	22		
	Closing Cash Balance (twice) - 5 marks	5	(50)	
(B)	5 marks	5		
(C)	5 marks	5	(10)	(60)

Q. 2 FINAL A/Cs & BALANCE SHEET

(A)	Company Name	2		
	Titles	5		
	Trad/Prof & Loss 14 figs. @ 1	14		
	+ 2 each for Gross and Net Profit	4		
	Appropriation:			
	Dividend 2 marks			
	Balance 1 mark	3		
	Balance Sheet 13 figs. @ 1	13		
	Balance Sheet subtitles	4	(45)	
(B)	5 marks	5		
(C)	10 marks (including 5 for workings)	10	(15)	(60)

Q. 3 LETTER

(A)	Protection - 3 marks Loss - 3 marks	6		
(B)	Correct answer - 6 marks If incorrect, up to 4 for workings.	6	(12)	
(C)	Letter: 2 each for 2 Addresses 2 each for Date, Dear Sir, Yours faithfully, Signature 2 for Reference 20 for Content: (5 points @ 4) 4 for English (Par., Punc., Gram., Spell.) 4 for Presentation/Neatness	4 8 2 20 4 4		(42)
(D)	3 for answer – “NO” 3 for reason	6	(6)	(60)

Q. 4 BANKING

(A)	Bank 5 Branch 5		(10)	
(B)	Correct amount - 6 marks		(6)	
(C)	ATM withdrawal - 10 marks		(10)	
(D)	Eircom Direct Debit - 10 marks		(10)	
(E)	Lodgment Slip - 12 entries @ 1 each		(12)	
(F)	Bank Account - 2 figures @ 6 each		(12)	(60)

Q. 5 BUSINESS DOCUMENTS

(A)	Order: 3 marks each for Date, Inside Address, Signature, Title 3 columns @ 4 marks each	12 12	(24)
(B)	Invoice: Date - 2 marks Order No. - 1 mark Inside Address - 2 marks 5 columns @ 3 marks each Last 5 figures @ 2 marks each	2 1 2 15 10	(30)
(C)	3 correct entries (date, details, amount) @ 2marks each		(6) (60)

Q. 6 ANALYSED CASH BOOK

(A)	Title - 2 marks Date & Details columns - 2 each Cheque No. column - 2 marks 30 figures @ 1 mark each (inc. totals)	2 8 2 30	(42)
(B)	Three explanations @ 6 marks each		(18) (60)

Q. 7 EMPLOYMENT, WAGES & TRADE UNIONS

(A)	Correct Gross Wage - 5 marks If incorrect, up to 3 for workings.	5	
(B)	3 rights @ 5 marks each	15	
(C)	3 responsibilities @ 5 marks each	15	
(D)	Three benefits of Trade Union @ 5	15	
(E)	Correct Answer - 5 marks Workings - 5 marks	10	(60)

Q. 8

FOREIGN TRADE & RATES OF EXCHANGE

(A) **Bar Chart:**

Title - 2 marks	2
6 Bars (drawn to scale) @ 2 marks each	12
Bars correctly labelled - 1 mark each	6

Or

Pie Chart:

Title - 2 marks	2
6 segments (drawn to scale) @ 2 each	12
Segments clearly labelled - 1 mark each	6

(20)

(B) 4 marks for correct answer (4)

(C) 3 reasons @ 8 marks each (24)

(D) Correct Answer - 6 marks

Workings - 6 marks (12) (60)

JUNIOR CERTIFICATE EXAMINATION, 2001
BUSINESS STUDIES - ORDINARY LEVEL - SECTION A
SUGGESTED SOLUTIONS

1. What do the following letters stand for?

V.A.T.	VALUE ADDED TAX
P.A.Y.E.	PAY AS YOU EARN

2. The person who collects subscriptions and pays bills for a club is the **TREASURER**.

3. Legal Tender is

The price paid for a lawyer's advice

The currency (money) of a country ✓

An application form for insurance

4. Meter readings taken from an ESB bill:

Meter Readings	
Present	47685
Previous	46895
No. of units used	790
Rate per unit	IR£0.09
Total Charge	IR£71.10

Workings:

$$47685 - 46895 = 790$$

$$790 \times \text{IR£}0.09 = \text{IR£}71.10$$

5. PRIMARY, SECONDARY or SERVICES:

TAXI DRIVER	SERVICES
FARMER	PRIMARY
BAKER	SECONDARY

6. Place the following customers' names in alphabetical order:

1. RICHARD O'BEIRNE
2. HELEN O'BRIEN
3. JAMES O'BYRNE

7. LEGAL or ILLEGAL:

	LEGAL	ILLEGAL
SORRY, WE DO NOT ACCEPT CHEQUES	✓	
SORRY, WE DO NOT GIVE REFUNDS		✓

8. **Filing means storing documents so that they can be easily and quickly found when required.**

9.

NOTE/COIN ANALYSIS											
TOTAL	IR£50	IR£20	IR£10	IR£5	IR£1	50p	20p	10p	5p	2p	1p
IR£143.74	2	2			3	1	1			2	

10. Column 1 is a list of terms. Column 2 is a list of possible explanations for these terms.

Column 1

Column 2


- | | |
|---------------------|--|
| 1. Opportunity Cost | A. When something is in short supply |
| 2. Scarcity | B. Having to sacrifice one item to buy another |
| 3. Inflation | C. A tax on buying goods |
| | D. A rise in the general price of goods |

1	2	3
B	A	D

11. Fill in the **two** missing Factors of Production in the spaces provided:

LAND	LABOUR	CAPITAL	ENTERPRISE
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12. Cheque :

Date	<i>14 January 2001</i>		AIB BANK MAIN STREET, BIRR, Co. OFFALY		27-76-91
To	<i>Michael Feeney</i>				<i>14 January 2001</i>
For	<i>Car Service</i>				
Balance	<i>750</i>	<i>00</i>	PAY <i>Michael Feeney</i>	OR ORDER	
Am't lodged			<i>One hundred and thirty pounds only</i>	IR£130.00	
Total	<i>750</i>	<i>00</i>		UNA FAHY	
This Cheque	<i>130</i>	<i>00</i>		Una Fahy	
Bal. Forward	<i>620</i>	<i>00</i>			
300631				300631	277691

13. Look at the cheque in Question No. 12, and answer the following:

(a) Name the DRAWER of the cheque.	Una Fahy
(b) Name the PAYEE of the cheque	Michael Feeney

14. Write either TRUE or FALSE after both of these sentences:

- (a) A Private Limited Company is owned by its shareholders. **TRUE**
 (b) A Sole Trader is owned by between two and ten people. **FALSE**

15. A Consumer is
 a person who buys goods for resale
 a person who buys goods for business use
a person who buys goods for private use ✓

16. Which of the following countries are in the European Union?

	YES	NO
IRELAND	✓	
FINLAND	✓	
INDIA		✓

17. Complete the following Wage Slip, showing Gross Pay, Total Deductions and Net Pay:

Ciara Hennessy	No. 7491		Wage Slip	12 May 2001
<i>PAY:</i>	IR£	<i>DEDUCTIONS:</i>	IR£	
BASIC	367.00	PAYE	92.50	
OVERTIME	55.00	PRSI	27.50	
				NET PAY:
GROSS PAY	IR£422.00	TOTAL DEDUCTIONS	IR£120.00	IR£302.00

18. Hire Purchase means

The buyer gets the use of the goods after paying a deposit but is not the owner until the final instalment is paid.	✓
The hirer pays for the goods in instalments but never gets to own them.	
The buyer owns the goods after paying a deposit but continues paying instalments.	

19. Fixed Assets of Aikon Ltd:
 Premises IR£85,000 Cash on hand IR£4,350 Delivery Vans IR£71,500 Equipment IR£12,500

Answer:
IR£169,000

Premises	85,000
Delivery Vans	71,500
<u>Equipment</u>	<u>12,500</u>
Total	169,000

20. How many kilometres does the courier travel?

Answer:	634 Km.
Workings:	
Cork - Dublin	260
Dublin - Ennis	232
Ennis - Cork	142
Total	634

BUSINESS STUDIES – ORDINARY LEVEL 2001 – SECTION B

FOLLOWS

Question 1

(A)

O'GRADY FAMILY	SEPT.	OCT.	NOV.	DEC.	TOTAL
PLANNED INCOME	IR£	IR£	IR£	IR£	IR£
John O'Grady - Salary	1200	1200	1200	1700	5300
Anna O'Grady - Salary	900	900	900	900	3600
Share Dividends			800		800
Child Benefit	150	150	150	150	600
A. TOTAL INCOME	2250	2250	3050	2750	10300
PLANNED EXPENDITURE					
<i>Fixed</i>					
House Mortgage	650	650	700	700	2700
House Insurance	27	27	27	27	108
TV Licence		75			75
Subtotal	677	752	727	727	2883
<i>Irregular</i>					
Household Expenses	640	640	640	940	2860
Travel Costs	145	145	145	145	580
Light and Heat	180	380	210		770
School Costs	300				300
Telephone Costs		175		210	385
Subtotal	1265	1340	995	1295	4895
<i>Discretionary</i>					
Entertainment	250	250	250	550	1300
Christmas Expenses				1200	1200
Subtotal	250	250	250	1750	2500
B. TOTAL EXPENDITURE	2192	2342	1972	3772	10278
Net Cash (A-B)	58	-92	1078	-1022	22
Opening Cash	280	338	246	1324	280
Closing Cash	338	246	1324	302	302

Q. 1 (Continued)

<p>(B) Means of paying ESB bills.</p> <p>(C) Anna spent IR£7.50 on the lotto. Was it fixed, irregular or discretionary?</p>	<p>Direct Debit, Postal Order, Giro Credit Transfer, PASS Machine, Telephone, Internet Banking</p> <p>Discretionary</p>
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Question 2.

(A)

Limestone Ltd.			
Trading & Profit & Loss A/c for year ending 31 December 2000			
Cash Sales			237,600
<i>Cost of Sales:</i>			
Opening Stock		37,400	
Purchases	181,350		
Carriage Inwards	1,450	182,800	
		220,200	
Closing Stock		42,000	178,200
Gross Profit			59,400
<i>Less Expenditure</i>			
Advertising		5,800	
Telephone		1,650	
Wages		24,600	
Interest on Overdraft		1,550	
Heating and Lighting		3,700	37,300
Net Profit			22,100
Less Dividends			12,000
Reserves			10,100

BALANCE SHEET as at 31 December 2000			
<i>Fixed Assets</i>	Cost	Dep	N B V
Buildings			98,500
Machinery			63,950
			162,450
<i>Current Assets</i>			
Closing Stock	42,000		
Cash in Hand	2,650	44,650	
<i>Less Current Liabilities</i>			
Bank Overdraft		17,000	
Working Capital			27,650
TOTAL NET ASSETS			190,100
FINANCED BY	Authorised	Issued	
Ordinary Share Capital:	250,000	180,000	
Reserves		10,100	
CAPITAL EMPLOYED			190,100

(B) Limited Companies keep accounts:

To find the **net** profit or **net** loss.

Required by Revenue Commissioners for taxation purposes.

Accounts are included with Business Plans when making loan applications.

Legal Requirement.

(C) Workings: IR£59,400 / IR£237,600 x 100 = 25%.

Answer: Percentage of Gross Profit to Cash Sales is **25%**

Question 3.

- (A) Insurance is a way of protecting yourself financially against possible loss or accident that might happen, such as a house fire or a car accident. A fee (premium) is paid to an insurance company for the insurance cover. If the event insured against occurs, the company will pay compensation to the insured to cover the amount of the loss.
- (B) Niamh must pay **IR£450** premium per year. (IR£3 x 150)
-

(C)

Letter

35 Rock Road
Cashel
Co. Tipperary

22 February 2001

The Manager
Thomond Insurance Co. Ltd.
12 Shannon Street
Limerick

Re: Flood Damage

Dear Sir

I have insured my home and contents with your company for IR£150,000. My policy number is 79332.

Yesterday, 21 February 2001, damage was caused to my living room. It was flooded because a water pipe in the attic was leaking. The carpet was ruined, the ceiling will have to be replaced and the room re-painted.

I had to get a plumber to repair the pipe at a cost of IR£100.

As I wish to claim for the cost of the damage, I would be grateful if you would send me a claim form as soon as possible.

Thank you for your co-operation.

Yours faithfully

Niamh Sullivan

- (D) **No.** Only part of her house was damaged.

Question 4.

(A) *In what bank and branch does Sheila Glynn have her account?*

Bank:	Ulster Bank
Branch:	North Street, Cavan

(B) *How much does Sheila have in her account on 31 May 2001 according to the bank?*

Answer: IR£258.00

(C) *Explain what happened on 7 May 2001.*

Answer: Sheila withdrew IR£200 from her Current Account by using her ATM Card at the Monaghan branch of the Ulster Bank.

(D) *Explain the entry of 10 May 2001.*

Answer: Sheila's telephone bill of IR£85.00 was paid directly out of her current account to the account of Eircom.

(E) *Lodgment Slip.*

MEMORANDUM ONLY
LODGMET
Account Name
SHEILA GLYNN

Account Number
26463327
Subject to Verification
See conditions overleaf

Cashier's Stamp and Initials

SAVINGS ACCOUNT
New Balance in Passbook £ £
Uncleared Items

Cashier's Stamp and Initials

Paid in by - Name and Address
**Sheila Glynn
25 HIGH ST., CAVAN**

Transaction Detail

Ulster Bank Limited Lodgment

Please specify Account: Current Savings Other _____

Date **16-05-01**

Destination Branch Sort Code

Bank **ULSTER BANK**

Destination Branch **NORTH STREET, CAVAN**

Account in Name of **SHEILA GLYNN**

Account Number **26463327**

	£	p
Notes	650	-
E2 Coin		
E1 Coin		
50p Coin		
Silver		
Bronze		
Total Cash		
Cheques Etc. (see over)		
	650	-

£ **650-00**

Question 4 (continued)

(F) *Sheila's Bank Account:*

Dr		BANK ACCOUNT				Cr	
Date	Details	Amount	Date	Details	Ch. No.	Amount	
31-5-01	Balance b/d	196.00	31-5-01	Eircom Dir Debit		85.00	
			31-5-01	Balance c/d		111.00	
		196.00				196.00	
31-5-01	Balance b/d	111.00					

OR

BANK ACCOUNT					
Date	Details	Chq. No.	Dr.	Cr.	Balance
31-5-01	Balance b/d				196.00
31-5-01	Eircom Direct Debit			85.00	111.00

Question 5.**(A)**

ORDER No. 359		
Telephone: 045-292441 Fax: 045-334257 e-mail: digicomp@comeir.net	V A T Reg. No.: IE 7368517C	
Digicomp Ltd. Retailers of Computer Equipment Astral Shopping Centre, Naas, Co. Kildare		
The Manager Techno Supplies Ltd. The Curragh Industrial Centre Kildare	Date: 14 May 2001	
Please supply the following goods:		
QUANTITY	DESCRIPTION	PRICE EACH
30	“Clarity” Scanners Model SC22	IR£ 125.00
20	“Viscount” V.D.U.’s Model VT39	245.00
75	“Soft Touch” Keyboards Model KB48	62.00
25	“High Speed” Printers Model PT92	295.00
	Signed: <i>Rita Flood</i>	
	Title: Purchasing Manager	

Question 5 (continued)

(B)

INVOICE No. 7621				
Telephone: 045-4399221 Fax: 045-4399762 e-mail: techno@comsat.ie			V A T Reg. No.: IE 1392868W	
Techno Supplies Ltd. The Curragh Industrial Centre, Kildare				
Purchasing Manager Digicomp Ltd. Retailers of Computer Equipment Astral Shopping Centre Naas Co. Kildare			Date:	16 May 2001
			Your Order No.:	359
QUANTITY	DESCRIPTION	MODEL No.	PRICE EACH	TOTAL IR£
30	“Clarity” Scanners	SC22	125.00	3,750.00
20	“Viscount” V.D.U.’s	VT39	245.00	4,900.00
75	“Soft Touch” Keyboards	KB48	62.00	4,650.00
Total (Excluding VAT)				13,300.00
Trade Discount 10%				1,330.00
Sub-total				11,970.00
VAT 20%				2,394.00
E & O E Total (Including VAT)				14,364.00

(C) Digicomp Ltd - Bank Account. *(Use only one of the following bank accounts.)*

Dr. Digicomp Ltd - Bank Account Cr.							
Date	Details	F	IR£	Date	Details	F	IR£
				16-05-2001	Purchases	GL	14,364.00

OR

Digicomp Ltd - Bank Account						
Date	Details	F	Dr.	Cr.	Balance	
16-05-2001	Purchases	GL		14,364.00		

Question 6.

(A)

Farrell Family - Analysed Cash Book

Date	Details	Bank	Date	Details	Bank	Food	L & H	Car	Enter	Other	Chq No
April 1	Balance b/d	350	April 3	Petrol	55			55			201
5	Salary	970	6	Meat	150	150					202
12	Salary	685	7	Groceries	265	265					203
			8	Game	75				75		204
			9	ESB	85		85				205
			10	Service	160			160			206
			11	Repairs	95					95	207
			13	Groceries	275	275					208
			14	Dinner	135				135		209
					1295	690	85	215	210	95	
			14	Balance c/d	710						
		2005			2005						

(B) Explanations:

Branded Goods Well-known products which are easily recognised by customers, e.g., Kitkat bars.

Special Offers An incentive for customers to buy certain goods, e.g., two for the price of one.

Free Sample A small part or unit of a product handed out or posted free to consumers, e.g., a free biscuit in an in-store promotion.

Tokens Consumers collect these when buying goods and exchange them for free gifts, e.g., Tesco computers for schools, Esso tokens.

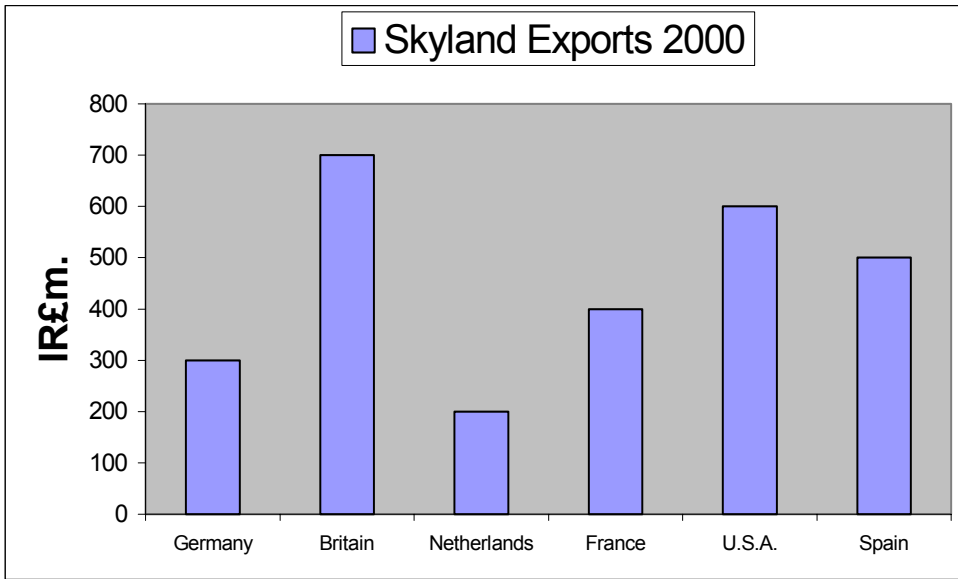
Bar Code Vertical lines on a package which identify and price the product by means of an electronic scanner. (Check for diagram).

Question 7.

<p>(A) <i>Ken's gross wage per hour:</i> Answer: IR£4.50</p>	<p style="text-align: right;"><i>Workings</i> $IR£175.50 / 39 = IR£4.50$</p>
<p>(B) <i>Ken's rights as an employee:</i></p>	
<p style="text-align: center;">To have safe working conditions. To receive a fair wage. To get annual holidays. To have a chance of promotion. To join a trade union.</p>	
<p>(C) <i>Ken's responsibilities towards his employer:</i></p>	
<p style="text-align: center;">To do an honest day's work. To be punctual. To respect employer's property. To attend every working day. To follow employer's instructions.</p>	
<p>(D) <i>Ways in which Ken would benefit from joining a trade union:</i></p>	
<p>TU would represent him in any dispute with employer. TU would seek better wages to maintain standard of living. TU would seek better working conditions. TU would seek safer working conditions. TU would give protection from unfair dismissal. TU would ensure best deal in event of redundancy.</p>	
<p>(E) <i>Ken's gross pay for the bank-holiday week:</i> Answer: IR£207.00</p>	<p style="text-align: right;"><i>Workings</i> $32 \text{ hours @ } IR£4.50 = IR£144.00$ $7 \text{ hours @ } IR£9.00 = \underline{IR£63.00}$ Total $IR£207.00$</p>

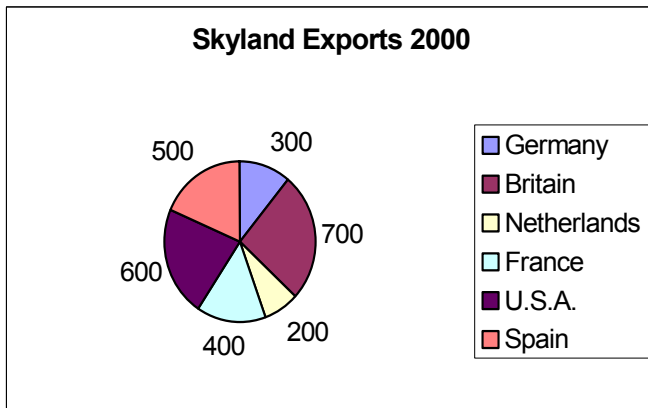
Question 8.

(A)



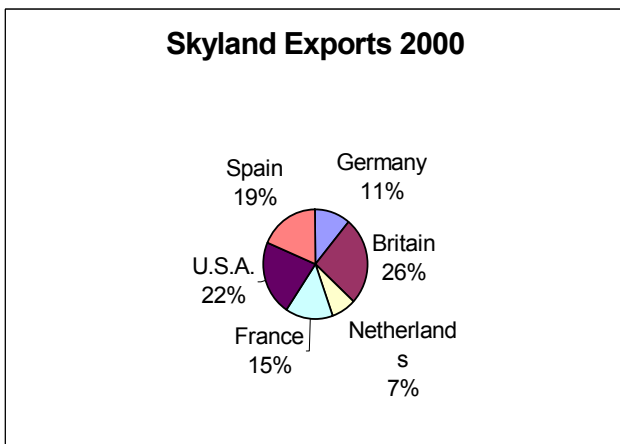
(B) Bord

Tráchtála (The Irish Export Board)



(C) Reasons for Irish imports:

- Unsuitable climate here for some fruits, tea.
- Raw materials necessary for production - oil, coal, steel.
- Irish consumers want variety and choice.
- Some countries have natural skills in producing certain goods (French wines, Swiss watches)



(D) Laptop Computers - workings:

Ireland:

IR£2,000. $2,000 \times 1.20 = \$2,400$
(compared to \$3,000 in USA)

or

USA:

\$3,000. $3,000 / 1.20 = \text{Ir£}2,500$
(compared to IR£2,000 in Ireland)

- **The computer in Ireland is better value.**