

WARNING

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

Candidate's Examination Number

AN ROINN OIDEACHAIS AGUS EOLAÍOCHTA

JUNIOR CERTIFICATE EXAMINATION, 2002

BUSINESS STUDIES - ORDINARY LEVEL

SECTION A

(100 Marks)

WEDNESDAY, 12 JUNE 2002 - MORNING, 9.30 a.m. - 12.00

Answer all 20 Questions. Each question carries 5 marks. Calculators may be used.

1. What do the following letters stand for?

(Write each answer in full in the space provided)

P.R.S.I.	
A.T.M.	

2. A consumer who returns a faulty good is entitled to either of **two** of the following.
(Tick (✓) the **two** boxes)

Refund

Revenue

Replacement

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

LAND	LABOUR		
-------------	---------------	--	--

4. Complete the following sentence:

Impulse buying means

5. The following are meter readings taken from an ESB bill. Calculate the number of units used and the total charge. Enter your answers in the appropriate spaces.

ESB Meter Readings	
Present	274356
Previous	273487
No. of units used	
Rate per unit	€0.15
Total Charge	€

Workings:

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

JOHN SHEEHY, PAT SHEEDY, RONNIE SHEAHAN

1.	
2.	
3.	

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

(Tick (✓) YES or NO in each case)

	YES	NO
NORWAY		
GERMANY		
RUSSIA		

8. A **market** is a place where goods and services are _____ and _____.
 Fill in the missing words.

9. Complete fully the following cheque, using the information provided:

Date	20 March 2002	Bank of Ireland HIGH STREET, BALLINA, Co. MAYO	37-53-29
Pay	Sharon Lee		Date
		PAY	euro euro euro
			€ _____
			NORA FOX
	€54.50		
	500489	500489 375329 86775513	

10. Look at the cheque in Question No. 9 and answer the following:

(a) Name the DRAWER of the cheque.	
(b) Name the PAYEE of the cheque.	

11. A **Shop Steward** is

a person who always shops in his home town

a person who represents the trade union in the workplace

a person who keeps an eye out for shop-lifters

(Tick (✓) the most suitable box)

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

Match the two lists by placing the letter of the correct explanation under the relevant number below. (One explanation does not refer to any of the terms.)

Column 1	Column 2
1. Supermarket	A. Many different shops in one building B. Large self-service shop C. A store that sells goods only through the post D. Large shop divided into separate units
2. Department Store	
3. Shopping Centre	

1	2	3

13. Name **three** different methods of advertising.

1.	
2.	
3.	

14. Place a tick (✓) after each statement to indicate whether it is TRUE or FALSE.

	TRUE	FALSE
(a) An employee is a person who has other people working for him.		
(b) Money is something which is used as a means of exchange.		

15. As far as Ireland is concerned, one of the following is a **visible export**.
(Tick (✓) which one)

An Irish wholesaler buying coffee in Brazil

An Irish tourist going to a football match in Italy

An Irish farmer selling beef to Germany

16. William borrowed €2,000 from a bank. The rate of interest on the loan was 9% per year. One year later, he paid back all the money, with interest. How much did he have to pay in total?

Answer:
€

<i>Workings:</i>

17. In each space below, write the most appropriate word from the following list:

OVERDRAFT; ASSESSOR; CAPITAL; ASSET; OVERTIME.

(Two of these do not match any sentence below)

(a) Working _____ is the difference between current assets and current liabilities.

(b) An _____ is a current liability.

(c) Something of value owned by a business is called an _____.

18. **Indemnity** means

You are overcharged on your telephone bill.	
You lose your motor insurance because of speeding.	
You may not profit from insurance.	

(Tick (✓) the most appropriate answer)

19. Catherine is going on holidays to the USA. She wants to bring 900 dollars spending money. She goes to her local bank to exchange euro for dollars. She is told that the current exchange rate is €1 = \$0.90 (one euro = 0.90 dollars).

Calculate the amount of euro she must hand in to the bank to get 900 dollars.

Answer:
€

Workings:

20. Answer *either* (A) or (B):

(A) Balance the following Bank Account and bring down the balance at the end of the month:

Dr		Bank Account						Cr	
Date	Details	F	€	Date	Details	F	€		
Sep 1	Balance	b/d	550	Sep 4	Insurance	L7	175		
7	Sales	L2	975	11	Purchases	L5	680		
				22	Rent	L9	275		

OR

(B) Complete the last 4 lines of the "Balance" column in the following Bank Account:

Bank Account						
Date	Details	F	Dr	Cr	Balance	
			€	€	€	
Sep 1	Balance	b/d			550	
4	Insurance	L7		175		
7	Sales	L2	975			
11	Purchases	L5		680		
22	Rent	L9		275		

REMEMBER TO RETURN THIS COMPLETED SECTION 'A' WITH YOUR ANSWER BOOK

For use with Section B - Question 1 HOUSEHOLD BUDGET

1. (A)

ALLEN FAMILY	JAN.	FEB.	MARCH	APRIL	TOTAL
PLANNED INCOME	€	€	€	€	€
Michael Allen - Salary					
Frances Allen - Salary					
Dividend on Shares					
A. TOTAL INCOME					
PLANNED EXPENDITURE					
<i>Fixed</i>					
House Mortgage					
House Insurance					
Health Insurance					
Car Loan					
Subtotal					
<i>Irregular</i>					
Household Expenses					
Car Running Costs					
Light and Heat					
Telephone Costs					
Subtotal					
<i>Discretionary</i>					
Holidays					
Entertainment					
Subtotal					
B. TOTAL EXPENDITURE					
Net Cash (A-B)					
Opening Cash					
Closing Cash					

1 (B) Frances Allen's Gross Salary per month	€
1 (C) Mobile Phone costs per year	€

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For use with Section B - Question 4

(A)	
(B)	
(C)	1.
	2.
	3.

(D) NOTE/COIN ANALYSIS												
TOTAL	€50	€20	€10	€5	€2	€1	50c	20c	10c	5c	2c	1c
€183.64												

(E) Mary's wage slip for 15 March 2002:

	Wage Slip: Mary Whyte		Week 11	
PAY:	€	DEDUCTIONS:	€	
BASIC		PAYE		
OVERTIME		PRSI		
		SAVINGS		
GROSS PAY		TOTAL DEDUCTIONS		NET PAY

ROUGH WORK:

(A)

<h1 style="margin: 0;">Ceol Wholesalers Ltd.</h1>				
Hamilton Industrial Estate Dublin 16			INVOICE No. 3776	
Telephone: 01-1657832 Fax: 01-1657966 e-mail: ceol@comeir.net		VAT Reg. No. IE 4886114		
<div style="text-align: right; margin-right: 100px;">Date:</div> <div style="text-align: right; margin-right: 50px;">Your Order No.:</div>				
QUANTITY	DESCRIPTION	MODEL No.	PRICE EACH €	TOTAL €
			Total (Excluding VAT)	
			Trade Discount	
			Sub-total	
Carriage Paid E & O E			VAT	
			Total (Including VAT)	

For use with Section B - Question 5 (continued)

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

Dr		Tenor Ltd - Bank Account						Cr
Date	Details	F	€	Date	Details	F	€	

OR

Tenor Ltd - Bank Account						
Date	Details	F	Dr	Cr	Balance	

(C) Receipt.

Ceol Wholesalers Ltd.		Hamilton Industrial Estate, Dublin 16		No. 314
Telephone:	01-1657832			
Fax:	01-1657966			
e-mail:	ceol @comeir.net			
Date:				
Received From:				
The Sum of:				€
<i>With Thanks</i>	Signed:			(Cashier)

(D) One reason why a receipt is an important document:

For use with Section B - Question 7

(A) Corrected sentences:

(a)	
(b)	
(c)	
(d)	
(e)	

(B) Enter the form of business in each case:

	Business	Form of Business
1	Bord na Mona	
2	John Lyons, Butcher	
3	Credit Union	
4	Ceol Wholesalers Ltd.	
5	RTE	

For use with Section B – Question 7 (continued)

(C) Three Advantages:

1	
2	
3	

Two difficulties or disadvantages:

1	
2	

(D) Two of the documents that would have to be completed when forming a Private Limited Company:

1	
2	

REMEMBER TO RETURN THIS COMPLETED SECTION 'A' WITH YOUR ANSWER BOOK

AN ROINN OIDEACHAIS AGUS EOLAÍOCHTA
JUNIOR CERTIFICATE EXAMINATION, 2002
BUSINESS STUDIES - ORDINARY LEVEL
SECTION B
(300 Marks)

WEDNESDAY, 12 JUNE 2002 - MORNING, 9.30 a.m. - 12.00

All questions carry equal marks. **Attempt any Five questions.**
 Marks will be awarded for layout and presentation. Dates should show the day, month and year.
 Calculators may be used.

1. Answer (A), (B) and (C). This is a Household Budget Question
(To be completed on page 7 of Section A)

The following is a budget for the Allen household for the first four months of 2003:

Opening Cash in Hand is €420.

Planned Income

- Michael Allen earns €2,000 net per month and expects to receive a tax refund €400 in February.
- Frances Allen earns €2,150 net per month.
- The family expects to receive a dividend on shares of €1,800 net in March.

Planned Expenditure

- House Mortgage of €700 per month will increase by €40 per month from 1 March 2003.
- House insurance premium, €360 **per year**, is payable **monthly** from January.
- The Allen family pays health insurance of €65 per month. This will increase to €75 per month from the beginning of March.
- Repayments on Michael's car loan (to be fully paid by the end of February) are €250 per month until then.
- Household expenses are usually €760 per month except in March, when they are €400 **less**.
- Car running costs will be €150 per month for Michael and €175 per month for Frances.
- ESB bills for light and heat are expected to amount to €220 in February and €230 in April, while a fill of heating oil, costing €550, will be needed in March.
- The Allen family has a home telephone and two mobile phones. The home telephone bill is expected to be €195 in February and €170 in April. The bill for the mobile phones is payable each month and is expected to total €80 per month.
- The family has booked a holiday costing €7,000. They must pay a deposit of €2,000 to the travel agents in January and the balance in March.
- Entertainment will cost €300 each month except in March, when it will cost €100 **less**.

- (A) Complete fully the blank household budget form (on page 7 of Section A) using all the above figures. (50)
 - (B) Frances Allen earns a net salary of €2,150 per month. If her total deductions are €650 per month, what is her **gross salary**? Write the answer in the space provided at the end of the Budget Form. (5)
 - (C) How much **per year** does the family expect to pay for using two mobile phones? Write your answer in the space provided. (5)
- (60 marks)**

2. **Answer (A), (B) and (C). This is a Final Accounts & Balance Sheet Question**
(To be completed in your Answer Book)

Harte Ltd. is a company with an Authorised Capital of 400,000 Ordinary Shares at €1 each. The following Trial Balance was taken from its books on 31 December 2001, the end of its financial year.

Trial Balance as at 31 December 2001	Dr	Cr
	€	€
Cash Sales		375,000
Carriage Inwards	2,350	
Cash Purchases for Resale	237,600	
Opening Stock at 1 January 2001	57,250	
Wages	77,400	
Heating and Lighting	15,200	
Telephone	4,950	
Insurance	12,650	
Interest on Overdraft	2,700	
Dividend Paid	23,000	
Bank Overdraft		55,000
Cash on Hand	3,400	
Issued Share Capital in €1 Shares		250,000
Buildings	125,000	
Motor Vans	118,500	
	680,000	680,000

Closing Stock at 31 December 2001 was €72,600.

- (A) From the above figures, prepare a Trading and Profit and Loss and Appropriation Account for the year ended 31 December 2001 and a Balance Sheet as at that date. (43)
 - (B) Explain what is meant by "Carriage Inwards". (9)
 - (C) What percentage of the Cash Sales is the Net Profit? Show your workings. (8)
- (60 marks)**

3.

Answer (A), (B) and (C). This question is about farming, information technology and writing a letter

(To be completed in your Answer Book)

Una Rogan, who lives at Meadowlands, Trim, Co. Meath, is a farmer's wife. She has taken classes in information technology and now wishes to buy a computer.

On 14 May 2002, Una writes a letter to Joan Hills, Editor, Consumer Advice Magazine Ltd., Green Street, Dublin 1. She informs Joan that she wishes to buy a computer which would be suitable for home and farm use. She wants to keep records of all farm stock and feedstuffs on computer, as well as all the farm's financial accounts. She would also like to be able to check the farm's bank account on the internet. Finally, she would need a word-processing package and some good computer games for the family. She asks Joan to advise her on a computer and printer that would be suitable for all this work.

(A) Write the letter that Una Rogan sent to Joan Hills, Editor, Consumer Advice Magazine Ltd. on 14 May 2002. (39)

(B) State **three** reasons why farmers should keep accounts. (9)

Joan Hills replied to Una the next day with this advice:

You should buy a computer and printer with the following features. You can get them in any computer store for less than €2,000.



Computer with 1 GHz Processor.
256 MB RAM. 40GB Hard Drive; DVD Drive; Modem;
Digital Sound with Speakers; 17 inch VDU.
Floppy Disk drive and mouse included.
Software: Windows XP Home Edition and Microsoft Office 2002
including database, spreadsheet and word processing.
Printer: Inkjet or laser.

(C) Explain **three** of the underlined words. (12)
(60 marks)

4. **Answer all parts. This question is about Wages and Savings**
(To be completed on page 8 of Section A)

Mary Whyte is employed as a sales assistant in a large store. Her normal working week is 36 hours. If she works any longer, she gets overtime pay at time and a half.

Mary's wage slip for 8 March 2002 was:

	Wage Slip: Mary Whyte		Week 10	8 March 2002
PAY:	€	DEDUCTIONS:	€	
BASIC	252.00	PAYE	36.27	
OVERTIME	10.50	PRSI	17.59	
		SAVINGS	25.00	NET PAY
GROSS PAY	262.50	TOTAL DEDUCTIONS	78.86	183.64

Answer all the following questions in the spaces provided on page 8 of Section A.

- (A) What is Mary Whyte's basic pay per hour? (5)
 - (B) How many hours overtime did she work in Week 10? (6)
 - (C) Mary's employer deducts €25.00 each week from her wages for a savings scheme. Name **three** different types of institution where this money could be placed to earn a return for Mary. (12)
 - (D) Mary received her wages in cash. Her employer used the lowest number of notes and coins possible when putting the cash in Mary's pay envelope. Fill in the note/coin analysis showing how many notes and coins of each description were in the envelope. (16)
 - (E) The following week, Mary worked 40 hours. Her PAYE was €39.55 and her PRSI was €19.95. There was no change in her basic pay or savings. Using this information, complete her Wage Slip for Week 11, dated 15 March 2002. (21)
- (60 marks)**

5.

Answer all parts. This is a question on Business Documents.
(To be completed in the space provided on pages 9 and 10 of Section A)

John Russell is the purchasing manager at Tenor Ltd. On 20 March 2002, he received the following quotation:

Ceol Wholesalers Ltd.		QUOTATION No. 5322	
Hamilton Industrial Estate, Dublin 16			
Telephone:	01-1657832		
Fax:	01-1657966	VAT Reg. No. IE 4886114	
e-mail:	ceol@comeir.net		
			19 March 2002
The Purchasing Manager Tenor Ltd. Sea Road Bray Co. Wicklow			
MODEL No.	DESCRIPTION	PRICE EACH €	DELIVERY
W053	Westlife New Compact Disc	20.00	Ready
U276	U2 Latest Compact Disc	18.00	Ready
D142	De Danann Collection Compact Disc	15.00	Ready
B317	Boyzone Greatest Compact Disc	25.00	Ready
Trade Discount 25% on all goods VAT 20% on all goods Carriage Paid; For acceptance within 30 days			

John decides that the Boyzone Compact Discs are too costly. He sends an Order (No. 877) to Ceol Wholesalers Ltd. for **500 Westlife New Compact Discs, 1,000 U2 Latest Compact Discs and 600 De Danann Collection Compact Discs**. These goods are delivered in a van to Tenor Ltd. on 25 March 2002. John checks the goods when they arrive and finds everything correct. After he signs the delivery note, he is handed Invoice No. 3776, dated 24 March 2002, by the van-driver.

(A) From the above details, complete the blank invoice, No. 3776, on page 9 of Section A. (30)

John then writes out a cheque on behalf of Tenor Ltd. in full payment for the goods and hands it to the driver to bring back to Ceol Wholesalers Ltd.

(B) Enter the payment in the Bank Account of Tenor Ltd., using the blank Bank Account on page 10 of Section A. (12)

A receipt for the payment arrives next day from Ceol Wholesalers Ltd., dated 25 March 2002, and signed by Ann Hogan, Cashier.

(C) Complete the Receipt (No. 314) using the blank supplied on page 10 of Section A. (12)

(D) In the space provided, state **one** reason why a receipt is an important document. (6)
(60 marks)

Answer (A), (B) & (C). This is a Petty Cash Question
(To be completed in your Answer Book)

6.

Helen Cruise is the office manager in a limited company. She uses a Petty Cash Book to keep an account of small office expenses. She begins each month with an imprest of €300.

Here is what happened in May, 2002:

- May 1 Balance (imprest) on hand €300.
- 2 She bought writing paper (stationery) for €28 - Petty Cash Voucher No. 501.
- 3 She bought envelopes for €19 - Petty Cash Voucher No. 502.
- 6 She paid €14 for postage - Petty Cash Voucher No. 503.
- 8 She paid €29 for cleaning materials for the office - Petty Cash Voucher No. 504.
- 9 She paid €8 bus fare for a visit to an office demonstration - Petty Cash Voucher No. 505.
- 14 She paid train fare €35 for sales manager - Petty Cash Voucher No. 506.
- 17 She paid the office cleaner €40 - Petty Cash Voucher No. 507.
- 20 She paid €30 for repairs to a printer - Petty Cash Voucher No. 508.
- 22 She paid €15 to a courier to deliver a parcel (postage) - Petty Cash Voucher No. 509.
- 24 She purchased computer paper (stationery) for €33 - Petty Cash Voucher No. 510.
- 28 She paid €25 from petty cash to a local charity for a raffle - Petty Cash Voucher No. 511.
- 30 She paid €16 for postage - Petty Cash Voucher No. 512.

(A) State what is meant by the Imprest System of Petty Cash. (10)

(B) In your answer book, write up the Petty Cash Book for the month of May, using the following analysis columns:

Postage, Stationery, Travel, Cleaning, Sundries.

Total each analysis column and balance the Petty Cash Book at the end of May. (45)

(C) How much money will Helen receive from the chief cashier to enable her to start next month with an imprest of €300? (5)

(60 marks)

7. **Answer all parts. This is a Question on Forms of Business**
(To be completed on pages 11 and 12 of Section A)

Linda mixed up the answers in her Business Studies test. She had all the correct answers but she put them in the wrong sentences. This is what she wrote:

- (a) A state-owned or semi-state company is a business owned by *shareholders*.
- (b) A sole trader is a business owned and run by *a board of directors*.
- (c) A co-operative is a business owned and controlled by *one person*.
- (d) A private limited company is a business owned by between 2 and 50 people and managed by *the workers or members*.
- (e) The owners of a private limited company have limited liability and are called *the government*.

(A) Write out each sentence **fully** in the space provided on page 11 of Section A, showing the most appropriate answer in each case. (20)

(B) In the space provided on page 11 of Section A, write in the appropriate box whether **each** business mentioned below is a sole trader, private limited company, co-operative, or state-owned company. (10)

The businesses are:	
1	Bord na Mona
2	John Lyons, Butcher
3	Credit Union
4	Ceol Wholesalers Ltd.
5	RTE

- (C) John Murphy has bought a grocery shop which he intends to manage and run.
- (i) State **three** advantages that John will gain from running his own business. Use the space provided on Page 12 of Section A. (12)
 - (ii) State **two** difficulties or disadvantages that John might have in running his business. (8)
- (D) Name **two** of the documents that would have to be completed when forming a Private Limited Company. Use the space provided on page 12 of Section A. (10)

(60 marks)

8. Answer all parts. This is a Question on Transport and Delivery Systems
(To be completed in your Answer Book)

- (A) State **three** factors which a business would consider when choosing a delivery system. (9)
- (B) Answer each of the questions which follow this Iarnród Éireann timetable:

Dublin Heuston	0525	0710	0830	1050	1320	1520	1710	1835	1915
Newbridge	-	-	-	-	-	-	-	-	1941
Kildare	-	-	0900	-	-	-	-	-	1950
Portarlinton	-	-	-	-	1402	-	-	-	2007
Portlaoise	0616	0800	0925	-	1414	-	-	-	2019
Ballybrophy	-	-	0941	-	-	-	-	-	2035
Templemore	-	-	0955	-	1440	-	-	-	2048
Thurles	0651	0836	1009	1211	1454	1644	-	1956	2103
Limerick Junction	0713	0858	1031	1233	1516	1706	1849	-	2125
Charleville	0733	-	1053	1253	1537	-	-	2035	2146
Mallow (arrival)	0748	0931	1108	1309	1552	1738	1921	2050	2202
Mallow (departure)	0750	0933	1121	1311	1554	1739	1923	2100	2203
Cork	0819	1001	1149	1339	1622	1807	1951	2130	2231

- (i) What time does the first train for Cork leave Dublin Heuston station?
- (ii) What time does the 8.30 a.m. train from Dublin Heuston arrive in Thurles?
- (iii) If you travelled on the 7.50 p.m. (1950) train from Kildare, how long would it take you to get to Charleville? (12)
- (C) Drof Ltd., a manufacturing company, uses rail transport to deliver most of its goods around the country.
- (i) State **three** advantages for Drof Ltd. of using rail transport. (12)
- (ii) State **three** disadvantages for Drof Ltd. of using rail transport to deliver its goods. (12)
- (D) In recent years there have been many improvements to the transport system. The use of containers and **roll-on/roll-off ferries** has helped to make it easier to **export** and import goods. New motorways are being built which will enable **couriers** and other road users to complete their journeys more quickly. **Toll roads**, **tachographs** and **refrigerated transport** are other recent developments.

Explain **three** of the underlined words, giving an example or diagram in each case. (15)
(60 marks)