



Coimisiún na Scrúduithe Stáit State Examinations Commission

JUNIOR CERTIFICATE EXAMINATION, 2005

BUSINESS STUDIES - ORDINARY LEVEL

SECTION B

(300 Marks)

WEDNESDAY, 15 JUNE 2005 – MORNING, 9.30 -12.00

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

SECTION B (300 Marks)

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1. Answer all parts. This is a Household Budget Question

(To be completed on page 6 of Section A)

The following is a budget for the Curran family for four months, May to August, 2005:

Opening Cash in Hand is €750.

**Planned
Income**

- John Curran earns €2,500 net per month.
- Brigid Curran earns €1,600 net per month and expects to receive an **extra** €1,000 net in July as a holiday bonus.
- Child benefit is €270 net per month.

**Planned
Expenditure**

- House Mortgage of €800 per month will reduce to €750 per month from 1st July.
- House insurance premium, €960 **per year**, is payable **monthly** from 1st May.
- The Curran family pays health insurance of €170 per month. This will increase by €20 per month from 1st July.
- Household expenses are usually €1,300 per month except in August, when they are €600 **less**.
- The Curran family uses public transport to travel to work. John's train ticket costs €150 per month and Brigid's combined Bus/Luas ticket costs €80 per month.
- ESB bills for light and heat are expected to amount to €340 in June and €290 in August.
- Telephone bills for the home are expected to be €220 in May and €280 in July. In addition, bills for mobile phones for all the family will be €160 per month.
- The family has booked a holiday costing €2,900. They must pay a deposit of €500 to the travel agents in May, a further instalment of €500 in July and the balance in August.
- Entertainment will cost €900 each month except in July, when it will cost an **extra** €500.

- (A) Complete the blank household budget form (*on page 6 of Section A*) using all the above figures. (50)
- (B) Apart from cash or cheque, name **two** other methods by which the Curran family could pay their ESB bills. Write your answer in the space provided (*on page 6 of Section A*). (5)
- (C) The Curran family intends to paint the living room in September at a cost of €750. State whether this expenditure will be fixed, irregular, or discretionary. Explain your answer (*on page 6 of Section A*). (5)
- (60 marks)**

2. **Answer all parts. This is a Final Accounts & Balance Sheet Question**
(To be completed in your Answer Book)

Harford Ltd is a company with an Authorised Capital of 300,000 Ordinary Shares at €1 each. The following Trial Balance was taken from its books on 31 December 2004, the end of its financial year.

Trial Balance as at 31 December 2004	Dr	Cr
	€	€
Cash Sales		280,000
Cash Purchases	184,700	
Carriage Inwards	7,000	
Opening Stock at 1 January 2004	57,800	
Lighting and Heating	8,650	
Telephone	2,350	
Advertising	16,250	
Rent and Rates	7,350	
Insurance	19,150	
Dividend Paid	12,000	
Bank Overdraft		29,500
Cash on Hand	1,750	
Issued Share Capital in €1 Shares		189,000
Furniture and Fittings	96,000	
Motor Vans	85,500	
	498,500	498,500

Closing Stock at 31 December 2004 was €39,500.

- (A) From the above figures, prepare a **Trading and Profit and Loss and Appropriation Account** for the year ended 31 December 2004 and a **Balance Sheet** as at that date. (45)
- (B) Explain what is meant by “Dividend Paid”. (5)
- (C) What percentage of the Cash Sales is the Gross Profit? Show your workings. (10)
- (60 marks)**

3. **Answer all parts. This Question is about Information Technology and Writing a Letter**
(To be completed in your Answer Book)

Joe Byrne contacted The Computer Store Ltd, Main Street, Castlebar, and spoke to the manager, Fiona Twomey. “I know nothing about computers or Information Technology”, said Joe, “but my friends tell me I should buy a computer. Please send me some information. My address is The Cottage, Balla, Co Mayo.”

Fiona wrote a letter to Joe, thanking him for his telephone enquiry. In the letter, dated 7 June 2005, she listed **three** examples of Information Technology which could be found in the home and which Joe could be using every day without realising it. She also stated **three** advantages for Joe of using a computer. She concluded by inviting Joe to visit the shop someday so that she could show him the latest computer models.

(A) Write the letter that Fiona Twomey sent to Joe Byrne on 7 June 2005. (40)

(B) State **three** examples of Information Technology in banking. (12)

(C) **Hardware** and **Software** are well-known computer terms.

Explain clearly **each** of these terms (one sentence in each case). (8)
(60 marks)

4. **Answer all parts. This question is about Wages**
(To be completed on page 7 of Section A)

Ronan Ward is employed as a site manager by Harris Construction Co Ltd. His normal working week is 38 hours. If he works any longer, he gets overtime pay at double time.

Ronan’s wage slip for 8 April 2005 was:

Employee:	Ronan Ward		Week 14	8 April 2005
PAY:	€	DEDUCTIONS:	€	Harris Construction Co Ltd
BASIC	760.00	PAYE	265.50	
OVERTIME	80.00	PRSI	83.50	
		TRADE UNION	15.00	NET PAY
GROSS PAY	840.00	TOTAL DEDUCTIONS	364.00	476.00

Answer all the following questions in the spaces provided on page 7 of Section A.

- (A) Calculate Ronan Ward’s basic pay per hour. (6)
- (B) Calculate how much he earns for one hour’s overtime. (6)
- (C) Calculate the number of overtime hours he worked in Week 14. (6)
- (D) The following week, Ronan worked for 42 hours. His PAYE was €298.50 and his PRSI was €94.25. There was no change in his basic pay or trade union deduction. Using this information, complete his Wage Slip for Week 15, dated 15 April 2005. (21)
- (E) The following terms are all associated with wages:
 - Statutory Deductions
 - Piece Rate
 - Commission
 - Benefit-in-kind
 - Time Rate

Explain **three** of the above terms, using an example in **each** case. (21)
(60 marks)

5.

Answer all parts. This is a question on Business Documents

(To be completed on pages 8 and 9 of Section A)

Ciara Fennell is the purchasing manager at Mobile World Ltd, Retailers of Mobile Phones and Accessories, 12 High Street, Ennis, Co. Clare. On 12 May 2005, she sends an Order (No 173) for the following goods to The Manager, Guthán Wholesalers Ltd, Shannon Industrial Estate, Limerick:

60	Nokia Mobile Phones	Model N6820	@	€200.00 each
40	Motorola Mobile Phones	Model V300	@	€150.00 each
80	Siemens Mobile Phones	Model MC60	@	€90.00 each
20	Sharp Mobile Phones	Model GX30	@	€350.00 each

(A) From the above details complete the blank Order No. 173 *(on page 8 of Section A)*. (18)

All the goods ordered are in stock, except for the Sharp Mobile Phones. The **Nokia, Motorola and Siemens Mobile Phones** are delivered by truck to Mobile World Ltd on 16 May 2005. Ciara checks the goods and signs the Delivery Docket. She is then handed Invoice No 681, dated 16 May 2005, by the truck driver.

(B) State **one** reason why Ciara would sign the Delivery Docket. (6)

(C) From the above details complete the blank Invoice No. 681 *(on page 9 of Section A)*.
Note that **Trade Discount** on all Mobile Phones is 10% and **VAT** is 20%. (30)

On behalf of Mobile World Ltd, Ciara then writes a cheque in full payment. She hands it to the driver to bring back to Guthán Wholesalers Ltd. On the same day, this transaction is entered in the Bank Account of Mobile World Ltd.

(D) Enter the cheque payment in the Bank Account of Mobile World Ltd. *(Use only **one** of the bank accounts on page 9 of Section A.)* (6)

(60 marks)

6. **Answer all parts. This is a Petty Cash Question**
(Part A to be completed on page 10 of Section A.
Parts B and C may be completed on page 10 of Section A **or** in the Answer Book)

Michael Dillon is the office manager in Cubes Ltd. He uses a Petty Cash Book to keep an account of small office expenses. He begins each month with an imprest of €400.

The following were his petty cash transactions during May, 2005:

- May 1 Balance (imprest) on hand €400.
3 He paid €18 for postage – Petty Cash Voucher No 51.
5 He bought writing paper (stationery) for €32 – Petty Cash Voucher No 52.
9 He paid €30 to a local charity for a sponsored walk – Petty Cash Voucher No 53.
11 He bought envelopes (stationery) for €27 – Petty Cash Voucher No 54.
12 He paid €57 for repairs to computer desk – Petty Cash Voucher No 55.
17 He paid €26 to SPD Couriers Ltd to deliver a parcel (postage) – Petty Cash Voucher No 56.
19 He paid €15 for a taxi to collect a customer at the station – Petty Cash Voucher No 57.
20 He paid €35 for cleaning of office – Petty Cash Voucher No 58.
23 He paid €30 for repairs to a printer – Petty Cash Voucher No 59.
26 He purchased copying paper (stationery) for €54 – Petty Cash Voucher No 60.
27 He paid train fare €40 for sales manager – Petty Cash Voucher No 61.
31 He paid €24 for postage - Petty Cash Voucher No 62.

- (A) Enter the transaction of May 17 (only) in the Petty Cash Voucher (*on Page 10 of Section A*). (12)
- (B) Write up the Petty Cash Book for the month of May (*on Page 10 of Section A or in your Answer Book*), using the following analysis columns:
Postage, Stationery, Repairs, Travel, Sundries.
Total each analysis column and balance the Petty Cash Book at the end of May. (43)
- (C) How much money will Michael receive from the chief cashier to enable him to start next month with an imprest of €400? (5)
(60 marks)

7. **Answer all parts. This is a Question on Transport and Delivery Systems**
(To be completed on page 11 of Section A)

John Campbell lives in Moate, Co. Westmeath. He has booked a flight to London on Wednesday 29 June 2005. The flight departs from Dublin Airport at 1340 (1.40 pm) but all passengers must check in at the airport at least one hour before the flight. John is taking the bus to Dublin Airport.

Air Timetable Dublin Airport - London Airport									
Flight No	Dep	Arrival							
FR 202	0630	0745	Mon	Tue	Wed	Thu	Fri	Sat	Sun
FR 206	0825	0935	Mon	Tue	Wed	Thu	Fri	Sat	Sun
FR 212	1155	1305	Mon	-	-	-	Fri	-	-
FR 214	1230	1340	Mon	Tue	Wed	Thu	Fri	Sat	-
FR 216	1340	1450	Mon	Tue	Wed	Thu	Fri	Sat	-
FR 218	1430	1540	Mon	Tue	Wed	Thu	Fri	Sat	Sun
FR 226	1700	1810	-	-	-	-	-	-	Sun
FR 294	1835	1945	Mon	Tue	Wed	Thu	Fri	Sat	Sun
FR 224	2100	2210	Mon	Tue	Wed	Thu	Fri	-	Sun

Bus Timetable: Galway - Dublin Airport					
	Everyday	Everyday	Everyday	Everyday	Sun Only
Galway	06:30	08:45	10:25	17:25	19:15
Loughrea	07:00	09:15	11:00	18:00	19:45
Ballinasloe	07:25	09:40	11:25	18:25	20:10
Athlone	07:50	10:05	11:50	18:50	20:30
Moate	08:00	10:20	12:10	19:00	20:45
Kinnegad	08:30	10:50	12:40	19:30	21:15
Enfield	09:00	11:20	13:00	20:00	21:45
Dublin Centre	09:30	11:50	13:35	20:40	22:15
Dublin Airport	10:00	12:20	14:15	21:10	22:45

Use the timetables above to answer the following questions *(to be completed on Page 11 of Section A)*.

- (A) (i) What is John’s Flight Number?
- (ii) What is the latest time that John should be at the bus stop in Moate in order to get to Dublin Airport in time for his flight?
- (iii) What time will John’s flight arrive in London Airport? (18)
- (B) Calculate the total time taken by John to get from Moate bus stop to London Airport. Show your workings. (9)

Note: This question continues on the next page

Question No 7 – (continued)

- (C) State **three** factors which a business would consider when choosing a transport system to deliver goods around the country. (9)
- (D) Expo Ltd, an exporting company, uses air transport to send its goods to other countries.
- (i) State **two** advantages for Expo Ltd of using air transport.
- (ii) State **two** disadvantages for Expo Ltd of using air transport. (16)
- (E) Natural Gas is being piped to many towns around the country.
- State **two** advantages of using pipelines to deliver gas. (8)
- (60 marks)**

8.

Answer all parts. This is a Question on Forms of Business
(To be completed on Page 12 of Section A)

The majority of small businesses in Ireland are owned by Sole Traders.

- (A) State **two** advantages of being a Sole Trader. (12)
- (B) State **two** disadvantages of being a Sole Trader. (12)

A Private Limited Company is also a common form of business in Ireland.

- (C) What do you call the owners of a Private Limited Company? (6)
- (D) Name **one** of the legal documents which must be completed when setting up a Private Limited Company. (6)
- (E) State **two** advantages of a Private Limited Company. (12)
- (F) State **two** differences between a Sole Trader and a Private Limited Company. (12)
- (60 marks)**

REMEMBER TO RETURN SECTION 'A' WITH YOUR ANSWER BOOK

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