

**WARNING**

You must return this section with your answer book at the end of the examination, otherwise marks will be lost.

Candidate's Examination Number



# Coimisiún na Scrúduithe Stáit State Examinations Commission

JUNIOR CERTIFICATE EXAMINATION, 2006

**BUSINESS STUDIES – ORDINARY LEVEL**

WEDNESDAY, 14 JUNE 2006 – MORNING, 9.30am - 12.00 noon

## SECTION A (100 marks)

Answer all 20 questions. Each question carries 5 marks.

Calculators may be used.  
Make and Model of Calculator Used:

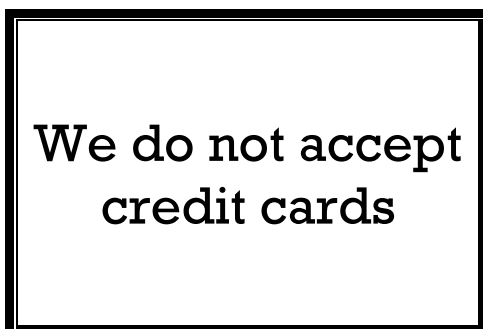


1. What do the following letters stand for? (*Write each answer in full in the space provided.*)

VAT	
VDU	

2. Under Irish consumer law, are shops allowed to display the following notices?

(Tick (✓) YES or NO in **each** case.)



YES	NO



YES	NO

3. **Column 1** is a list of insurance terms. **Column 2** is a list of possible explanations for these terms. (One explanation does not refer to any of the terms.)

Column 1 – Terms	Column 2 – Explanations
1. Premium	A. You may not profit from insurance
2. Claim	B. The annual fee paid for insurance
3. Indemnity	C. Application form for insurance
	D. Compensation sought after a loss

Match the two lists by placing the letter of the correct explanation under the relevant number below:

1.	2.	3.

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

JIM CARMODY

UNA CARBERRY

WILLIAM CARTY

MARY CAROLAN

(i)	
(ii)	
(iii)	
(iv)	

5. The Capital of a club is called

Net Profit.

Membership Fees.

Accumulated Fund.

(Tick (✓) the most appropriate box.)

6. Indicate which of the following countries are in the European Union by ticking (✓) YES or NO in each case:

	YES	NO
FRANCE		
FINLAND		
ALGERIA		

7. The following figures are from the Balance Sheet of Freezers Ltd for the year ending 31 December 2005:

**Buildings €93,500   Bank Overdraft €44,250   Delivery Vans €62,750   Closing Stock €20,000**

From the above figures, calculate the total **Fixed Assets** of Freezers Ltd:

<p><b>Answer:</b></p> <hr/> <p>€</p>	<p>Workings:</p> <hr/>
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8. **Barter** means

Paying bills by credit transfer.

A fall in the general level of prices.

Swapping one good for another.

(Tick (✓) the most appropriate box.)

9. Name the **two** main accounts that a farmer should prepare at the end of the financial year:

(i)

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(ii)

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

MOUSE      KEYBOARD      DATABASE      SPREADSHEET      MODEM

*(Two of the words above do not complete any of the sentences below.)*

(i) A \_\_\_\_\_ is used to link a computer to the telephone system.

(ii) A \_\_\_\_\_ is used to prepare budgets and accounts on computer.

(iii) A \_\_\_\_\_ is used to type words onto a computer.

11. Jonathan has 75 cent to spend. He would love an orange and a choc-ice but they cost 75 cent each. He decides to buy the orange.

The **opportunity cost** of the orange is

The orange which he bought.

The choc-ice which he did not buy.

The 75 cent that he paid for the orange.

(Tick (✓) the most appropriate box.)

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

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

Dr				Cash Account				Cr
Date	Details	F	Total	Date	Details	F	Total	
2006			€	2006			€	
Jan 1	Balance	b/d	135	Jan 20	ESB	GL6	150	
12	Wages	GL5	450	26	Telephone	GL9	175	
				31	Balance c/d			

**OR**

(B) Balance the following Cash Account by completing the last three lines of the 'Balance' column:

Cash Account						
Date	Details	F	Dr	Cr	Balance	
2006			€	€	€	
Jan 1	Balance	b/d			135	
12	Wages	GL5	450			
20	ESB	GL6		150		
26	Telephone	GL9		175		

13. Fill in the **two** missing factors of production in the spaces provided:

	<b>LABOUR</b>		<b>ENTERPRISE</b>
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14. A firm normally deals with many business documents. Place the following **five** business documents in the correct order in the spaces below:

INVOICE      ORDER      RECEIPT      STATEMENT      CHEQUE

<b>(i)</b>	
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<b>(ii)</b>	
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<b>(iii)</b>	
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<b>(iv)</b>	
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<b>(v)</b>	
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15. Maura Dillon uses a Petty Cash Book in her office. The chief cashier ensures that Maura has an imprest of €150 each month. During April 2006, she spent €132 out of petty cash. How much did she receive from the chief cashier on 1 May 2006?

€150         €132         €18  

(Tick (✓) the most appropriate box.)

16. A courier travels from Dublin to Galway. He then delivers a packet to a firm in Ennis before returning to Dublin. Using the Distance Table below, calculate the total number of kilometres he travels:

**DISTANCE TABLE (Km)**

Cork					
400	Donegal				
260	222	Dublin			
325	158	85	Dundalk		
142	260	232	256	Ennis	
210	205	216	238	70	Galway

<b>Answer:</b>	<b>Km</b>
Workings:	

17. Breda Lee lodged €2,400 to a Deposit Account in her local bank. The rate of interest on deposits was 3% per year. One year later, she withdrew all the money with interest. Breda did not have to pay any tax on the interest earned. Calculate the total amount she withdrew:

<b>Answer:</b>
€

Workings:

18. Give **two** reasons why a household should prepare a budget:

(i)

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(ii)

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19. Indicate whether the following jobs are in the Primary, Secondary or Services sector by ticking (✓) the most appropriate box in **each** case:

JOB	PRIMARY	SECONDARY	SERVICES
MINER			
NURSE			
DRUMMER IN U2			

20. Complete the following sentence:

In an office, **filing** means

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

For examiner use only:	Total Marks for Section A		Cumulative total c/f:	
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**For use with SECTION B – Question 1**

**1. (A)**

DOLAN HOUSEHOLD	SEP	OCT	NOV	DEC	TOTAL
PLANNED INCOME	€	€	€	€	€
Michael Dolan – Salary					
Helen Dolan – Salary					
Building Society interest					
A. TOTAL INCOME					
PLANNED EXPENDITURE					
<i>Fixed</i>					
House rental					
House contents insurance					
Car insurance					
Subtotal					
<i>Irregular</i>					
Household expenses					
Car running costs					
Television costs					
Light and heat					
Telephone costs					
Subtotal					
<i>Discretionary</i>					
Entertainment costs					
Wedding costs					
Christmas presents					
Subtotal					
B. TOTAL EXPENDITURE					
Net Cash (A – B)					
Opening Cash					
Closing Cash					

<b>1. (B)</b>	Do the Dolan household own the house in which they live? (YES or NO)	<b>Answer:</b>
	Reason:	
<b>1. (C)</b>	Spending €2,000 on a foreign holiday:	<b>Answer:</b>

For examiner use only:	Total b/f:		Total for Question 1:		Cumulative total c/f:	
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For use with SECTION B – Question 4

(A) Note/Coin Analysis Slip for Una Tully

NOTE/COIN ANALYSIS													
TOTAL	€100	€50	€20	€10	€5	€2	€1	50c	20c	10c	5c	2c	1c
€298.63													

(B) Lodgement Slip and Counterfoil

**Memorandum only  
Lodgment**

Branch


Name

Account Number

€

Brand/Initials

Note: Cheques etc. are accepted subject to examination and verification and are transmitted for collection at customers risk. Customers who do not wish to account when paid in, they should not be drawn against until advised.



**Lodgment**

Bank use only: N B P T M    National Sorting Code: 93

**AIB Bank**

Branch

Account Name

Address

Paid in by

Current Deposit Cashsave

Tick Account applicable

Brand/Initials

Account Number

€ Notes

Coins 1 & 2 €

Other Coins


Total Cash

Cheques etc. As per Back

€

euro euro euro

(C) Withdrawal Slip



Received from Allied Irish Banks, p.l.c.  
the sum of

Signed

Address

Current Deposit Cashsave

Tick Account applicable

Brand/Initials

**Withdrawal**

Branch Number: 93

Branch

Bank use only: B P T M N

euro euro euro

€

**For joint Savings Accounts**  
I certify that all parties in the account are alive on this date

Date

Signed

Account Number



(D) Receipt

<b>Mallow Tennis Club</b>		No. 2158	
<i>Mallow, Co. Cork</i>			
<b>Date:</b>			
<b>Received From:</b>			
<b>The Sum of:</b>			
<b>For:</b>		€	
<i>With Thanks</i>	<b>Signed:</b>	(Treasurer)	

(E) Una Tully's Wage Slip

<b>Una Tully</b>		Employee No. 2		Date:	
<b>PAY:</b>	€	<b>DEDUCTIONS:</b>	€	<b>BARRY'S RETAIL STORE Ltd</b>	
BASIC PAY		PAYE			
OVERTIME		PRSI			
		VHI		<b>NET PAY</b>	
<b>GROSS PAY</b>	€	<b>TOTAL DEDUCTIONS</b>	€	€	

Workings:

For examiner use only:	Total b/f:		Total for Question 4:		Cumulative total c/f:	
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**For use with SECTION B – Question 5**

**(A)** What business document would Maeve Long have checked before sending the Order to Furnish Ltd?


<b>Answer:</b>	
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**(B) Invoice**

<b>Furnish Ltd</b>			<b>INVOICE No. 2891</b>	
<b>Boyne Industrial Estate, Navan, Co. Meath</b>				
Telephone: 046-73266				VAT Reg. No. IE 6173465
Fax: 046-73769				
e-mail: furnish@navan.ie				
			Date:	
			Your Order No.:	
QUANTITY	DESCRIPTION	CODE No.	PRICE EACH €	TOTAL €
			Total (Excluding VAT)	
			Trade Discount	
			Subtotal	
			VAT	
Carriage Paid E & O E			Total (Including VAT)	

For use with SECTION B – Question 5 (continued)

(C) Cheque and Counterfoil

Date		<div style="display: flex; justify-content: space-between;"> <span><b>AIB</b></span> <span>93-35-77</span> </div> <p>MAIN STREET, PORTLAOISE <span style="float: right;">Date _____</span></p> <hr/> <p>Pay _____ or order <b>euro euro euro</b></p> <hr/> <div style="display: flex; justify-content: space-between;"> <span>_____ €</span> <span>_____ €</span> </div> <hr/> <div style="text-align: right;">TROSCÁN LTD</div> <div style="text-align: center; margin-top: 10px;">  </div> <hr/> <div style="display: flex; justify-content: space-around;"> <span>300863</span> <span>300863</span> <span>933577</span> <span>72894337</span> </div>
To		
Balance	€ 82,000.00	
This Cheque	€	
New Balance	€	

(D) Bank Account

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

OR

Troscán Ltd - Bank Account						
Date	Details	F	Dr	Cr	Balance	
			€	€	€	

Workings:

For examiner use only:	Total b/f:		Total for Question 5:		Cumulative total c/f:	
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**For use with SECTION B – Question 6**

**(A)**

**Analysed Cash Book of the Quinn Household**

Dr					Cr							
Date	Details	Bank	Salary	Child Benefit	Date	Details	Cheque No.	Bank	Groceries	Light & Heat	Car	Entertainment
		€	€	€				€	€	€	€	€

**(B)** Calculate the new monthly amount that the Quinn household will receive in Child Benefit:

<p><b>Answer: €</b></p>	<p>Workings:</p>
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**(C)** *Answer part (C) on the next page.*

**For use with SECTION B – Question 6 (continued)**

**(C)** Explanation of **three** of the following terms:

ATM, credit cards, credit unions, travellers' cheques, paypath.

For Office Use Only
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<b>(i)</b>			
<b>(ii)</b>			
<b>(iii)</b>			

For examiner use only:	Total b/f:		Total for Question 6:		Cumulative total c/f:	
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**For use with SECTION B – Question 7**

**(A)** Complete the sentences:

For Office Use Only
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<b>(i)</b> A sole trader is		
<b>(ii)</b> A board of directors is		
<b>(iii)</b> Limited liability is		
<b>(iv)</b> A co-operative is		
<b>(v)</b> A state-owned company is		
<b>(vi)</b> Unlimited liability is		

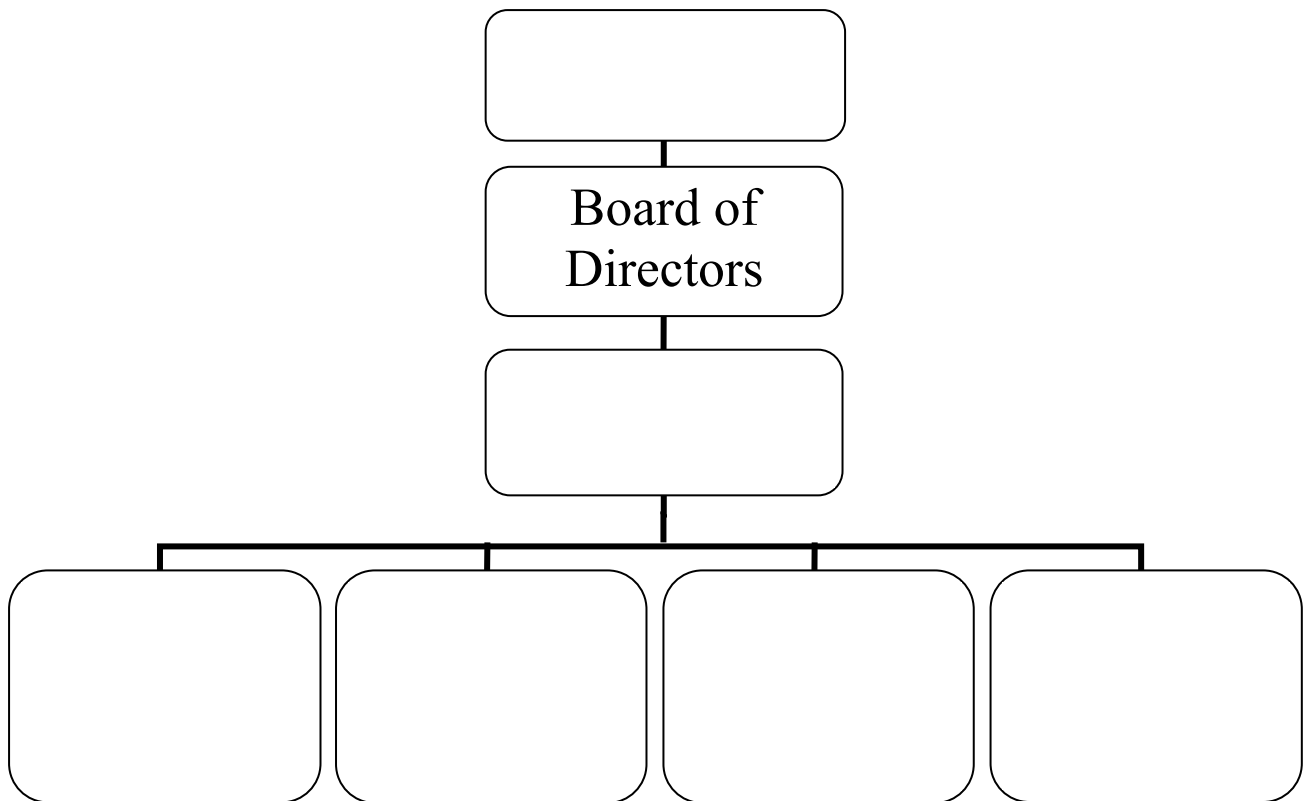
**(B)**

**MEMORANDUM OF ASSOCIATION**

1. The name of the company is			
2. The objects of the company are			
3. The liability of the members is limited.			
4. The share capital of the company is €100,000, divided into 100,000 ordinary shares of €1 each.			
We, the several persons whose names, addresses and descriptions are subscribed, wish to be formed into a company in pursuance of this memorandum of association and we agree to take the number of shares in the capital of the company set opposite our respective names.			
Subscriber's Name	Address	Description	Number of shares taken
		Director	
		Director	
Date:			

(C)

**Gandor Ltd – Organisational Chart**



Workings:

For examiner use only:	Total b/f:		Total for Question 7:		Cumulative total c/f:	
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**For use with SECTION B – Question 8**

(A)	Explain the difference between <b>importing</b> and <b>exporting</b> .	For Office Use Only	
(B)	Explain <b>one</b> reason why importing is important to Ireland.		
(C)	Calculate which hotel is the cheaper.		
	<b>Answer:</b>	<b>Workings:</b>	
	_____ Hotel		
(D)	<b>Inflation</b> means		
(E)	Give <b>one</b> benefit of economic growth for the people of Ireland.		



**For use with SECTION B – Question 8 (continued)**

- (F) (i)** Draft the National Budget of the Frostland Government for 2006.

<b>National Budget of the Frostland Government for 2006</b>			
			€
	INCOME		
	EXPENDITURE		

- (ii)** Indicate whether it is a 'surplus' or a 'deficit' budget.

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

For examiner use only:	Total b/f:		Total for Question 8:		Cumulative total c/f:	
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