

JC Business Studies Ordinary Level Only  
**EXAMINATION BOOKLET**

Candidate's Examination Number



**Coimisiún na Scrúduithe Stáit**  
**State Examinations Commission**

JUNIOR CERTIFICATE EXAMINATION, 2009

**BUSINESS STUDIES – ORDINARY LEVEL**

TUESDAY, 9 JUNE 2009 – MORNING, 9.30-12.00

**Answer Section A (starting on Page 2) and Section B (starting on Page 9)**

**Junior Certificate**  
**Ordinary Level**

CENTRE STAMP

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



1. Total of end of page totals	
2. Aggregate total of all disallowed Question(s)	
3. Total mark awarded (1 minus 2)	
4. Bonus mark if answered through Irish	
5. Total mark awarded if Irish Bonus (3 + 4)	

Note: The mark in row 3 (or row 5 if an Irish bonus is awarded) must equal the mark in the Grand Total box.

Question	Examiner's Marks	Advising Examiner's Marks
Sec. A		
1		
2		
3		
4		
5		
6		
7		
8		
Total		
Irish Bonus		
Grand Total		
Grade		

# SECTION A

(100 marks)

Answer all 20 questions. Each question carries 5 marks.

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

<b>VAT</b>	
<b>ATM</b>	

2. Give **three** examples of jobs in the primary sector of the economy:

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

(iii) \_\_\_\_\_

3. Fill in the **two** missing factors of production:

<b>LAND</b>	<b>LABOUR</b>		
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4. Answer questions (i) and (ii) which follow this document:

<b>Staroil Ltd</b>	<b>Breffni Business Park, Cavan</b> Telephone: 049-7386118      Fax: 049-7386228	<b>No. 30041</b>
Date:	3 June 2009	
Received From:	William Reilly	
The Sum of:	Five hundred and forty euro	<b>€540.00</b>
<i>With Thanks</i>	Signed: <b><i>Caroline Farrell</i></b>	Accounts Dept

(i) What is this document called? \_\_\_\_\_

(ii) To whom was the money paid? \_\_\_\_\_

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	271635
Previous	269807
<b>No. of units used</b>	
Rate per unit	€0.22
<b>Total Charge</b>	€

Workings:

6. A household spent €1,000 on a weekend break instead of a new garden shed which would have cost the same amount.

The **opportunity cost** of this weekend break is

The €1,000

The weekend break

The garden shed

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

(Tick (✓) the most appropriate box.)

7. Complete the following sentence:

**Impulse Buying** means

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

ALAN TUOHY


ALFRED TURLEY

AIDAN TURNER

ARTHUR TUNNEY

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

9. The same brand of orange was on sale in two different shops:

<p><b>Ryan's Ltd</b></p> <p><b>Orange</b></p> <p><b>€1.50</b></p> <p>per</p> <p><b>2 Litre Bottle</b></p>		<p><b>Murphy's Ltd</b></p> <p><b>One Litre</b></p> <p><b>Bottles of Orange</b></p> <p><i><b>Only</b></i></p> <p><i><b>80c each</b></i></p>
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Calculate which shop offered the best value:

Answer	
<b>Shop Name:</b>	

Workings:

10. The three principles of Insurance are: Insurable Interest, Utmost Good Faith and Indemnity. Explain **one** of these principles:

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11. In **each** space below, write the most appropriate marketing term from the following list of six:

- |             |               |          |
|-------------|---------------|----------|
| SPONSORSHIP | BRANDING      | COUPONS  |
| LOSS LEADER | SPECIAL OFFER | SAMPLING |

*(Three of the terms above do not refer to any of the explanations below.)*

	MARKETING TERM	EXPLANATION
(i)		Two for the price of one.
(ii)		Collect these and exchange them for free gifts.
(iii)		Below cost selling.

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

<b>Joan Mullins</b>		Employee No. 396	Week 12	20 March 2009
<b>PAY:</b>	€	<b>DEDUCTIONS:</b>	€	<b>PARKWAY Ltd</b>
BASIC	592.00	PAYE	86.00	
OVERTIME	48.00	PRSI	27.00	
		SAVINGS	75.00	<b>NET PAY</b>
<b>GROSS PAY</b>	€	<b>TOTAL DEDUCTIONS</b>	€	€

13. Explain **two** reasons why Ireland imports goods:

(i)

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(ii)

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14. The following figures are from the books of Boatwear Ltd for the year ending 31 December 2008:

**Cash in Bank €12,600   Buildings €175,000   Office Furniture €28,500   Purchases €70,000**

In the following extract from the Balance Sheet of Boatwear Ltd on that date, enter and total the Fixed Assets:

<b>Extract from Balance Sheet of Boatwear Ltd as on 31-12-08</b>	
<b>FIXED ASSETS</b>	€
<b>TOTAL FIXED ASSETS</b>	

15. **Column 1** is a list of book-keeping 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. Purchases	A. Cost of delivering goods
2. Gross Profit	B. Current assets minus current liabilities
3. Carriage	C. Sales minus cost of sales
	D. Stock bought for resale

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

1.	2.	3.

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

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

Bank Account							
Dr				Cr			
Date	Details	F	Total	Date	Details	F	Total
2009			€	2009			€
Apr 1	Balance	b/d	890	Apr 9	ESB	GL4	320
23	Sales	GL2	650	25	Motor Expenses	GL9	495

**OR**

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

Bank Account					
Date	Details	F	Dr	Cr	Balance
2009			€	€	€
Apr 1	Balance	b/d			890
9	ESB	GL4		320	
23	Sales	GL2	650		
25	Motor Expenses	GL9		495	

17. The **Rate of Exchange** is:

(a)	The rate paid by the bank on deposits.	
(b)	The change received at a checkout.	
(c)	The value of one currency compared to another.	

(Tick (✓) the most appropriate answer)

18. Claire Egan received her wages in cash. Her employer used the least number of notes and coins possible when putting the cash in Claire's pay envelope. Using the Note/Coin Analysis Slip below, calculate Claire's total wage:

NOTE/COIN ANALYSIS												
€100	€50	€20	€10	€5	€2	€1	50c	20c	10c	5c	2c	1c
3	1	1		1	2		1	2				1

Answer	
<b>TOTAL WAGE</b>	€

Workings

19. Complete the following sentence:

**A Trade Union** is

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20. Place a tick (✓) after **each** statement showing whether it is TRUE or FALSE.

	TRUE	FALSE
(a) A keyboard is used to input data into a computer.		
(b) E-mail is a form of computer hardware.		
(c) A scanner is used to do calculations and accounts on a computer.		

For examiner use only:	Total Marks for Section A:		Cumulative total c/f:	
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**Note:**

On the following pages, space is provided for answering all questions in  
Section B

Answer **five** questions only.

Please read the questions in Section B carefully before answering.

This area may be used for rough work if required.



**For use with SECTION B – Question 1**

**1. (A)**

BYRNE HOUSEHOLD	SEPT	OCT	NOV	DEC	TOTAL
PLANNED INCOME	€	€	€	€	€
Simon Byrne – Salary					
Lisa Byrne – Salary					
Child Benefit					
<b>A. TOTAL INCOME</b>					
PLANNED EXPENDITURE					
<i>Fixed</i>					
House mortgage					
House insurance					
Health insurance					
Subtotal					
<i>Irregular</i>					
Household costs					
Car running costs					
Light and heat					
Telephone costs					
Television costs					
Subtotal					
<i>Discretionary</i>					
Entertainment costs					
Presents					
Holiday costs					
Subtotal					
<b>B. TOTAL EXPENDITURE</b>					
Net Cash (A – B)					
Opening Cash					
Closing Cash					

<b>1. (B)</b>	Costs associated with owning a car (apart from service costs)	(i)	
		(ii)	

<b>1. (C)</b>	Methods of paying ESB bills	(i)	
		(ii)	
		(iii)	

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 3 (continued)**

			For Office Use Only

<b>(B)</b>	Explain <b>three</b> reasons why a person would wish to open a current account in a bank.		
	(i)		
	(ii)		
	(iii)		

<b>(C)</b>	When David called to the bank, he opened a current account and a deposit account. He lodged €5,000 to the deposit account at a fixed rate of interest of 4% per year. Interest earned on money in a deposit account is subject to DIRT (tax) of 23% which is deducted by the bank. If David withdrew all his money (with interest) from the deposit account exactly one year later, calculate the <b>total</b> amount he would receive.			
	<b>Answer:</b> €	Workings:		

For examiner use only:	Total b/f:		Total for Question 3:		Cumulative total c/f:	
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**For use with SECTION B – Question 4**

<b>(A)</b>	Complete, in full, <b>each</b> sentence below using the most appropriate explanation.	For Office Use Only	
	(i) A sole trader is		
	(ii) A co-operative is		
	(iii) A state owned company is		
	(iv) A shareholder is		
	(v) A board of directors is		
	(vi) A certificate of incorporation is		

<b>(B)</b>	<b>(i)</b> Explain the term ' <b>Limited Liability</b> ':		

	<b>(ii)</b> Name <b>two</b> Irish state owned companies and give a brief explanation of their work:		
	<b>(a)</b>		
	<b>(b)</b>		

**For use with SECTION B – Question 4 (continued)**

(C)

<b>MEMORANDUM OF ASSOCIATION</b>			
1. The name of the company is			
2. The objects of the company are			
3. The registered address of the company is			
4. The liability of the members is limited.			
5. The share capital of the company is €80,000, divided into 80,000 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
Date:			

Rough Work (if required):

For examiner use only:	Total b/f:		Total for Question 4:		Cumulative total c/f:	
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(A) Invoice


Soccer Wholesale Ltd			INVOICE No. 88902	
Jefferson Retail Park, Kenmare, Co. Kerry				
Telephone: 066-9733415		VAT Reg. No. IE 1378659		
Fax: 066-9733668				
e-mail: enquiries@soccerwholesale.ie				
				Date: _____
				Your Order No.: _____
QUANTITY	DESCRIPTION	CODE No.	PRICE EACH €	TOTAL €
Total (Excluding VAT)				
Trade Discount				
Subtotal				
VAT				
Total (Including VAT)				
Carriage Paid E & O E				

Workings:



For use with SECTION B – Question 5 (continued)

(B) Cheque and Counterfoil

Date		<p><b>Bank of Ireland</b> 90-62-87                  KILLARNEY, Co. KERRY                  Date _____                  Pay _____ or order <b>euro euro euro</b>                  _____ € _____                  UNITED SPORTS LTD                    104790 906287 13467982</p>
To		
Balance	€ 29,700.00	
This Cheque	€	
New Balance	€	
	104790	

(C) Bank Account

Dr				United Sports Ltd – Bank Account				Cr			
2009	Details	F	€	2009	Details	F	€				
May 29	Balance	b/d	29,700								

OR

United Sports Ltd – Bank Account						
Date	Details	F	Dr	Cr	Balance	
2009			€	€	€	
May 29	Balance	b/d			29,700	

(D) Market Research is	For Office Use Only	

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 (continued)**

<b>(B)</b>	State <b>three</b> reasons why farmers should keep accounts.	For Office Use Only	
	<b>(i)</b>		
	<b>(ii)</b>		
	<b>(iii)</b>		

<b>(C)</b>	Explain the term ' <b>grant</b> '.		

For examiner use only:	Total b/f:		Total for Question 6:		Cumulative total c/f:	
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Workings (if required):

**For use with SECTION B – Question 7**

<b>(A)</b>	<b>(i)</b> State <b>two</b> advantages for Camp Ltd of using rail transport.	For Office Use Only	
	(a)		
	(b)		
	<b>(ii)</b> State <b>two</b> disadvantages for Camp Ltd of using rail transport		
	(a)		
	(b)		

<b>(B)</b>	Name <b>three</b> factors which a business would consider when choosing a transport system to deliver goods around the country. Explain the importance of <b>each</b> factor.		
	<b>(i)</b> Name of factor:		
	Importance of factor:		
	<b>(ii)</b> Name of factor:		
	Importance of factor:		
	<b>(iii)</b> Name of factor:		
	Importance of factor:		

Workings (if required):

**For use with SECTION B – Question 7 (continued)**

<b>(C)</b>	<b>(i)</b>	Calculate the total number of kilometres that Seán travelled:	For Office Use Only	
	<b>Answer:</b>	km		
			Workings:	
	<b>(ii)</b>	Seán travelled at an average speed of 60 km per hour. Calculate how many hours driving he completed:		
	<b>Answer:</b>	hours		
			Workings:	
	<b>(iii)</b>	Using the information in the question, calculate the exact time Seán arrived back in Sligo:		
	<b>Answer:</b>			
			Workings:	
	<b>(iv)</b>	If the van travels 15 km for every litre of diesel used, calculate how many litres of diesel were used:		
	<b>Answer:</b>	litres		
			Workings:	
	<b>(v)</b>	If the price of diesel was €1.10 per litre, calculate the total cost of diesel used:		
	<b>Answer:</b>	€		
			Workings:	

<b>(D)</b>	<p>Some of the modern developments in transport in Ireland include <b><u>motorways</u></b>, <b><u>regional airports</u></b>, <b><u>tunnels</u></b>, <b><u>toll roads</u></b> and the <b><u>Luas system</u></b>. Explain <b>two</b> of the underlined words (or terms). In <b>both</b> cases, show how they help to improve transport in Ireland.</p>		
	<b>(i)</b>		
	<b>(ii)</b>		

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**

<b>(A)</b>	<b>(i)</b>	Draft the National Budget for 2010.
	<b>(ii)</b>	Indicate whether it is a ‘surplus’ or a ‘deficit’ budget.

<b>(i) National Budget for 2010</b>			
		€	€
	INCOME		
	EXPENDITURE		
<b>(ii)</b>			

<b>(A)</b>	<b>(iii)</b>	Every year the Irish Government spends large sums of money on Health. Give <b>three</b> examples of Government spending on Health.	For Office Use Only	
	<b>(a)</b>			
	<b>(b)</b>			
	<b>(c)</b>			

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

<b>(B)</b>	<b>(i)</b> Explain the term ‘inflation’:	For Office Use Only	
	<b>(ii)</b> Identify the year that had the highest rate of inflation:		
	<b>Answer:</b>		
	<b>(iii)</b> Identify the year that had the lowest rate of inflation:		
	<b>Answer:</b>		
	<b>(iv)</b> Calculate the average rate of inflation over the four years:		
	<b>Answer:</b> %		
	<b>Workings:</b>		
	<b>(v)</b> If your pocket money was €20 per week in 2006, calculate how much you would need to receive per week in 2007 to keep up with inflation:		
	<b>Answer:</b> €		
	<b>Workings:</b>		

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