



Coimisiún na Scrúduithe Stáit
State Examinations Commission

JUNIOR CERTIFICATE 2009

MARKING SCHEME

BUSINESS STUDIES

ORDINARY LEVEL

Junior Certificate Examination 2009

Business Studies

Ordinary Level

Marking Scheme and Support Notes for use with the Marking Scheme

In considering this marking scheme the following points should be noted:

- The support notes presented are not exclusive or definitive and alternative valid answers are acceptable;
- They are support notes and not model or suggested answers;
- The book-keeping layout given may be accepted as best practice. However, in some book-keeping questions there can be a number of alternative approaches and formats that can be validly used by candidates;
- Further relevant points of information presented by candidates are marked and rewarded on their merits;
- The detail required in any answer is determined by the context and the manner in which the question is asked and by the number of marks assigned to the answer on the examination paper. Requirements may therefore vary from year to year.

JUNIOR CERTIFICATE EXAMINATION 2009

BUSINESS STUDIES – ORDINARY LEVEL

SECTION A

(100 marks)

Each question carries 5 marks

Marking Scheme

- | | | | |
|-----|--|------|---|
| 1. | 3 marks for one correct
5 for both correct | 12. | 2 marks for one correct
4 for two correct
5 for all three correct |
| 2. | 2 marks for one correct
4 for two correct
5 for three correct | 13. | 3 marks for one correct
5 for both correct |
| 3. | 3 marks for one correct
5 for both correct | 14.* | 2 for first correct 2 for second
5 for all correct |
| 4. | 3 marks for one correct
5 for both correct | 15. | 2 for first, 2 for second 5 for all
correct |
| 5. | 3 marks for one correct
5 for both correct | 16.* | 2 for each balance c/d and b/d
correct 1 for totals (both)
Or
2 for first 2 for second 1 for final
Own figure rule applies |
| 6. | 5 marks for correct answer | 17. | 5 marks for correct answer |
| 7. | 3 marks for one point
2 for second point | 18. | 5 for correct answer up to 3 for
workings |
| 8. | 2 marks for first correct
1 mark for each following correct
answer | 19. | 2 for one point, 2 for second
5 for all correct |
| 9. | 5 for correct answer | 20 | 2 for first, 2 for second 5 for all
correct |
| 10. | 3 + 2 for each principle | | |
| 11. | 2 marks for one correct
2 for second correct
5 for all correct | | |

[Total 100 marks]

Notes on Marking Scheme – Section A

- 14.*** Workings: If fixed assets are added correctly, but then further processed, allow max 3 marks.
If 3 figures are added and include fixed asset figures, allow maximum two marks.
If all 4 figures are added together, allow no mark
- 16.*** Allow marks for own figures if procedure is correct.

BUSINESS STUDIES – ORDINARY LEVEL

**SECTION B
(300 marks)**

All questions carry equal marks (60 marks)

MARKING SCHEME

Q. 1 HOUSEHOLD BUDGET

- (A) 81 entries (Inc & Exp) @ ½ mark each 40 ½
 5 entries in Total expenditure at ½ 2 ½
 5 entries on Net Cash row @ ½ mark each. 2½
 5 appropriate entries on Opening Cash row
 @ ½ mark each 2½
 Closing Cash Balance (twice) - 1 mark * 2 (50)
 * This applies to fully correct answers only
 (*Calculations with own figures accepted throughout*)
- (B) Two costs of owning a car @ 2 marks each (4)
- (C) Three methods of paying ESB bill @ 2 marks (6) **(60)**

Q. 2 FINAL A/Cs & BALANCE SHEET

- (A) Trading/Profit & Loss 16 figs @ 1 16
 Headings/titles 2 @ 2 marks each 4
 Note: Gross Profit (2 for words, 1 for fig included above.)
 Net Profit (2 for words, 1 for fig included above.)
 Appropriation:
 Dividend 1 mark
 Balance 1 mark 2
 Balance Sheet date 2 marks 2
 13 figs @ 1 13
 Balance Sheet subtitles 8 (45)
- (B) Explanation of Dividend paid 5 marks (5)
- (C)

Formula 4 marks workings 4 marks correct answer 2 marks

 Workings (**essential**) 4
 (Gross profit (*I*) divided by (*I*) Sales (*I*) multiplied by (*I*) 100)
 Correct Net Profit percentage 2 (10) **(60)**
 (*Own figures accepted in calculating percentage*)

Q. 3 BANKING & WRITING A LETTER

(A) Letter Format:

2 marks each for 2 Addresses, Date, Salutation, Close (Yours ...), Signature	12		
1 mark for Reference or encl	<u>1</u>	=	13
4 marks for English (Par., Punc., Gram., Spelling)	4		
3 marks for Presentation/Neatness	3		20

Letter Content:

Thank you for enquiry	4		
Appointment made on	4		
Proof of identity	4		
Example of each 2+2	4		
Look forward to meeting	4	20	(40)

(B) Explanation:

3 reasons @ 4 marks each	12		(12)
--------------------------	----	--	------

(C)

Interest	3		
Dirt	3		
Capital and interest after dirt	2		(8) (60)

Q. 4 FORMS OF BUSINESS OWNERSHIP

(A)	6 sentences @ 4 marks each.	24	(24)
------------	-----------------------------	----	------

(B)	(i) Limited liability 2 points @ 2 marks each	4	
	(ii) Semi state 2 name 2 explanation 8	12	(12)

(C)	12 items at 2 marks each	24	(24)
------------	--------------------------	----	------

(60)

Q. 5 BUSINESS DOCUMENTS

(A)	Date 2 marks	2	
	Order Number 1 mark	1	
	Inside Address 2 marks	2	
	5 columns at 3 marks each	15	
	5 total boxes 5 x 2 marks each	10	(30)
(B)	Counterfoil 5 marks	5	
	Cheque 10 marks	5	(15)
(C)	Date	3	
	Details	3	
	Total	3	
	Or date 3 details 3 and credit 3	9	(9)
(D)	3 points at 2 marks	6	(60)

Q. 6 FARM ACCOUNTS ANALYSED RECEIPTS AND PAYMENTS

(A)	Analysis Column titles	6	
	38 figures at 1 mark	38	
(B)	3 reasons @ 3 marks	9	
(C)	Two points 3 + 4	7	(60)

Q. 7 DELIVERY SYSTEMS AND TRANSPORT

- | | | | | | |
|------------|--------------|-------------------------------------|---|------|-------------|
| (A) | (i) | 2 advantages @ 4 marks | 8 | | |
| | (ii) | 2 disadvantages @ 4 marks | 8 | (16) | |
| (B) | | Name 3 factors @ 2 each | 6 | | |
| | | Importance of each factor @ 2 marks | 6 | (12) | |
| (C) | (i) | 4 marks | | | |
| | (ii) | 5 marks | | | |
| | (iii) | 5 marks | | | |
| | (iv) | 5 marks | | | |
| | (v) | 5 marks | | (24) | |
| (D) | | 2 explanations @ 4 marks | 8 | (8) | (60) |

Q. 8 NATIONAL BUDGET AND INFLATION

- | | | | | | |
|------------|--------------|-----------------------------------|----|------|-------------|
| (A) | (i) | 10 titles and 10 figures @ 1 mark | 20 | | |
| | (ii) | Deficit (word) | 2 | | |
| | | Figure | 2 | | |
| | (iii) | 3 examples @ 2 marks | 6 | (30) | |
| (B) | (i) | Inflation explanation | 6 | | |
| | (ii) | 6 marks | | | |
| | (iii) | 6 marks | | | |
| | (iv) | 6 marks | | | |
| | (v) | 6 marks | 24 | (30) | (60) |

**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.*)

VAT	Value Added Tax
ATM	Automated Teller Machine

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

(i) Fisherman

(ii) Farm worker

(iii) Miner

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

LAND	LABOUR	Capital	Enterprise
-------------	---------------	----------------	-------------------

4. Answer questions (i) and (ii) which follow this document:

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

(i) What is this document called? **Receipt**

(ii) To whom was the money paid? **Staroil**

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
No. of units used	1828
Rate per unit	€0.22
Total Charge	€402.16

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

(Tick (✓) the most appropriate box.)

7. Complete the following sentence:

Impulse Buying means – spending money without planning to i.e. on the spur of the moment.

Impulse buying may lead to scarcity of money for regular bills such as electricity, rent etc

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

ALAN TUOHY


AIDAN TURNER

ALFRED TURLEY

ARTHUR TUNNEY

(i)	Arthur Tunney
(ii)	Alan Tuohy
(iii)	Alfred Turley
(iv)	Aidan Turner

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

Ryan's Ltd		Murphy's Ltd.
<p>Orange</p> <p>€1.50 per 2 Litre Bottle</p>		<p>One Litre Bottles of Orange</p> <p><i>Only 80c each</i></p>

Calculate which shop offered the best value:

Answer		
Shop Name:	Ryan's	0.75c per litre

Workings:
$\frac{1.50}{2}$

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

Insurable Interest – in order to insure something you must gain (financially) by its existence and suffer (financially) by its loss. e.g. you can insure your own car but not a neighbour's

Utmost Good Faith – (uberrimae fides) person seeking insurance must tell the truth in Proposal form / Supply information that may increase the risk – Material Facts

Indemnity – You may not make a profit from insurance. Compensation will only equal the value of Value of the item at its time of loss/damage (provided you are not underinsured)

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)	Special offer	Two for the price of one.
(ii)	Coupons	Collect these and exchange them for free gifts.
(iii)	Loss leader	Below cost selling.

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

Joan Mullins		Employee No. 396	Week 12	20 March 2009
PAY:	€	DEDUCTIONS:	€	PARKWAY Co Ltd
BASIC	592.00	PAYE	86.00	
OVERTIME	48.00	PRSI	27.00	
		SAVINGS	75.00	NET PAY
GROSS PAY	€ 640	TOTAL DEDUCTIONS	€188	€452

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

(i) Ireland is unable to provide all the goods and services its people require

(ii) Ireland needs raw materials such as oil timber coal (climate/tradition in certain countries)

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:

Extract from Balance Sheet of Boatwear Ltd as on 31-12-08	
FIXED ASSETS	€
<i>Buildings</i>	<i>175,000</i>
<i>Office furniture</i>	<i>28,500</i>
TOTAL FIXED ASSETS	<i>203,500</i>

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.
D	C	A

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			€	2008			€
Apr 1	Balance	b/d	890	Apr 9	ESB	GL4	320
23	Sales	GL2	650	25	Motor Expenses	GL9	495
				30	Balance c/d		725
			1540				1540
			725				

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
2008			€	€	€
Apr 1	Balance	b/d			890
9	ESB	GL4		320	570
23	Sales	GL2	650		1220

25	Motor Expenses	GL9	495	725
----	----------------	-----	-----	-----

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	
TOTAL WAGE	€379.91

Workings

19. Complete the following sentence:

A **Trade Union** is an organisation that represents workers and speaks on their behalf with

 Employers on issues such as pay and working conditions

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:	
------------------------	---------------------------	--	-----------------------	--

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	2800	2800	2800	3600	12000
Lisa Byrne – Salary	1800	1800	1050	1050	5700
Child Benefit	500	500	500	500	2000
A. TOTAL INCOME	5100	5100	4350	5150	19700
PLANNED EXPENDITURE					
<i>Fixed</i>					
House mortgage	825	825	825	825	3300
House insurance	70	70	70	70	280
Health insurance	120	120	120	135	495
Subtotal	1015	1015	1015	1030	4075
<i>Irregular</i>					
Household costs	1500	1500	1500	1900	6400
Car running costs	150	500	150	150	950
Light and heat	125	400	210		735
Telephone costs	80	200	80	220	580
Television costs		170			170
Subtotal	1855	2770	1940	2270	8835
<i>Discretionary</i>					
Entertainment costs	360	360	360	360	1440
Presents				1250	1250
Holiday costs	600	1900			2500
Subtotal	960	2260	360	1610	5190
B. TOTAL EXPENDITURE	3830	6045	3315	4910	18100
Net Cash (A – B)	1270	-945	1035	240	1600
Opening Cash	280	1550	605	1640	280
Closing Cash	1550	605	1640	1880	1880

1. (B)	Costs associated with owning a car (apart from service costs)	(i)	Insurance,tyres,cleaning
		(ii)	Tax,petrol

1. (C)	Methods of paying ESB bills:	(i)	Cash at post office counter /postpoint/payzone/paypoint
		(ii)	Laser card. phone ,AIB and most other banks
		(iii)	Internet/electronic money transfer. Direct debit/ post a cheque

For use with SECTION B – Question 2

2. (A) (i)

Trading, Profit and Loss Appropriation Account of Dock Ltd for the year ended 31 December 2008				
		€	€	€
	Cash Sales			471,000
	Less Cost of sales			
	Opening stock		76300	
	purchases	291250		
	Carriage in	5100	296350	
			372650	
	Less closing stock		-66500	306150
				164850
	Less expenses			
	Wages and salaries		56790	
	Heat and light		9180	
	advertising		6000	
	rent		12900	
	insurance		27480	-112350
	Net profit			52500
	Less dividend paid			15000
				37500

For use with SECTION B – Question 2 (continued)

2. (A) (ii)

Balance Sheet of Dock Ltd as at		31 st December 2008		
		€	€	€
	Fixed Assets			
	premises			190000
	Motor vehicles			83000
				273000
	Current Assets			
	Cash in hand		5200	
	Closing stock		66500	
			71700	
	Current liabilities			
	Bank overdraft		-7200	
	Working capital			64500
	Total net assets			337500
	Financed by	Authorised	Issued	
	Issued share capital	400000	300000	
	Profit/reserves		37500	
	Total capital employed			337500

(B)	Explain the term ‘Dividend Paid’:		For Office Use Only
	This is the profit paid out to the shareholders of the company. At the annual general meeting (AGM) it is decided how much of the profit should be paid out to the shareholder		

(C)	Find what percentage of the Cash Sales is the Gross Profit:		
	Answer: 35%	<u>Workings:</u>	
		$\frac{\text{Gross profit} \times 100}{\text{sales}}$	

For use with SECTION B – Question 3

(A)	Write the letter that Linda Mahon sent to David O' Neill on 28 April 2009.	For Office Use Only
	AIB Bank	
	George Street	
	Wicklow town	
	28th April 2009	
	David O Neill	
	Main St	
	Rathnew	
	Co Wicklow	
	Re: Opening a Current Account	
	Dear David,	
	Thank you for your enquiry about opening a current account here in AIB Bank	
	I have made an appointment to meet you at 10.00 a.m. on Friday 1st May 2009 in my office	
	In order to open the account you will need to bring with you Proof of Identity such as a passport and a proof of address – e.g. ESB bill in your name	
	I look forward to meeting you on Friday	
	Yours Faithfully	
	<i>Linda Mahon</i>	
	Linda Mahon	
	Branch Manager	

For use with SECTION B – Question 4

(A)	Complete, in full, each sentence below using the most appropriate explanation.	For Office Use Only
	(i) A sole trader is business owned and run by one person	
	(ii) A co-operative is an organisation such as a credit union which is formed by people to achieve a common objective in business	
	(iii) A state owned company is company what is owned and controlled by the Government	
	(iv) A shareholder is a person who owns part of a limited company	
	(v) A board of directors is appointed by shareholders to run a company	
	(vi) A certificate of incorporation is a birth certificate of a company and is written proof that a company has been registered as a limited company	

(B)	(i) Explain the term ‘Limited Liability’: If a company is declared bankrupt, the owners will lose only what they invested. Their personal belongings are not at risk	

	(ii) Name two Irish state owned companies and give a brief explanation of their work:	
	(a) Bord na Mona – develop natural resources peat,turf,briquettes etc	
	(b) R.T.E.-provide a communications service/television/radio channels	

For use with SECTION B – Question 4 (continued)

(C)

MEMORANDUM OF ASSOCIATION			
1. The name of the company is	Denman Ltd		
2. The objects of the company are	To supply stationery to business firms and schools		
3. The registered address of the company is	17 Main St Athlone Co. Westmeath		
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
Stephen Ryan	16 Castle Road Mullingar Co. Westmeath	Director	30,000
Denise Leahy	22 Woodlands, Athlone Co. Westmeath	Director	20,000
Date: 20th March 2009			


For use with SECTION B – Question 5

(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: 29th May 2009	
			Your Order No.: 2375	
Purchasing Manager				
United Sports				
Unit 7, The Outlet Centre				
Killarney				
Co Kerry				
QUANTITY	DESCRIPTION	CODE NO.	PRICE EACH €	TOTAL €
200	Manchester United	MUJ11	50	10,000
120	Arsenal Jerseys	AFC23	35	4,200
180	Liverpool Jerseys	LFC34	45	8100
Total (Excluding VAT)				22300
Trade Discount				-3345
Subtotal				18955
VAT				+3791
Total (Including VAT)				22,746
Carriage Paid E & O E				

For use with SECTION B – Question 5 (continued)

(B) Cheque and Counterfoil

Date	29/May/2009	Bank of Ireland KILLARNEY, Co. KERRY	90-62-87
To	Soccer Wholesale Ltd		Date 29 th May 2009
Balance	€ 29,700.00	Pay Soccer Wholesale	or order euro euro euro
This Cheque	€22,746	Twenty Two Thousand Seven	€22,746
New Balance	€ 6954	\\Hundred and forty six euro	UNITED SPORTS LTD
			<i>Martin Bailey</i>
	104790	104790 906287 13467982	

(C) Bank Account

Dr		United Sports Ltd – Bank Account						Cr
2009	Details	F	€	2009	Details	F	€	
May 29	Balance	b/d	29,700	29 May	Purchases		22746	

OR

United Sports Ltd – Bank Account						
Date	Details	F	Dr	Cr	Balance	
2009			€	€	€	
May 29	Balance	b/d			29,700	
May 29	Purchases			22746	6954	

(C) Market Research is:	For Office
The collection, recording, and detailed examination of all information relating to the transfer of goods and services from the producer to the consumer. It is finding out what there is to know about a market (plus any relevant example).	

For use with SECTION B – Question 6 (continued)

(B)	State three reasons why farmers should keep accounts.	For Office Use Only	
	(i) They are necessary when applying for a bank loan		
	(ii) Required by the Tax office		
	(iii) Show the farms profit and loss		

(C)	Explain the term ' grant '.		
	Money received that is not repayable given to business sometimes by either the		
	Government or E.U. The aim is to help develop the industry or subsidise it.		

For use with SECTION B – Question 7

(A)	(i) State two advantages for Camp Ltd of using rail transport.	For Office Use Only	
	(a) It is fast over long journeys/no traffic congestion		
	(b) It is relatively cheap for large loads		
	(ii) State two disadvantages for Camp Ltd of using rail transport		
	(a) Not flexible as train schedules/timetables are fixed		
	(b) Not all parts of the country have a rail link e.g. Donegal		

(B)	Name three factors which a business would consider when choosing a transport system to deliver goods around the country. Explain the importance of each factor.		
	(i) Name of factor: Cost		
	<u>Importance of factor:</u> Business wants to keep costs and prices low to increase its sales. cost is very important because low costs help to keep the business open/going		
	(ii) Name of factor: Speed - Fast delivery		
	<u>Importance of factor:</u> Customers need goods delivered on time and quickly. Speed is very Important as it keeps customers happy and they will do business with Camp Ltd again		
	(iii) Name of factor: Dependable/Reliable		
	<u>Importance of factor:</u> Customers of Camp Limited rely on them to deliver the goods correctly every time. A late delivery can mean a lost sale		

For use with SECTION B – Question 7 (continued)

(C)	(i)	Calculate the total number of kilometres that Seán travelled:		
		Answer: 300 km	Workings: $84 + 78 + 138 = 300$	
	(ii)	Seán travelled at an average speed of 60 km per hour. Calculate how many hours driving he completed that day:		
		Answer: 5 hours	Workings: $\frac{300}{60}$	
	(iii)	Using the information in the question, calculate the exact time Seán arrived back in Sligo:		
		Answer: 4.30 p.m.	Workings: $5 + 0.5 + 0.5 + 1 = 7$ hours 9.30 to 16.30 (4.30)	
	(iv)	If the van travels 15 km for every litre of diesel used, calculate how many litres of diesel were used:		
		Answer: 20 litres	Workings: $\frac{300}{15}$	
	(v)	If the price of diesel was €1.10 per litre, calculate the total cost of diesel used:		
		Answer: € 22	Workings: $20 \times €1.10$	

(D)	Some of the modern developments in transport in Ireland include new <u>motorways</u> , <u>tunnels</u> , <u>regional airports</u> , <u>toll roads</u> and the <u>Luas system</u> . Explain two of the underlined words (or terms). In both cases, show how they help to improve transport in Ireland.		
	(i) Motorways – large roads often 3 or more lanes wide that go directly from one major city to another bypassing towns and villages. Improve transport by speeding up delivery times		
	Regional Airports -Smaller airports usually not international that serve a particular region or area. They improve transport by allowing delivery of goods and passengers near to the final destination		
	Tunnels – used to reduce the amount of traffic on a route or to enable the distance to be shortened. They improve transport by removing heavy traffic from roads, speeding up journey times		
	(ii) Toll roads – as roads are upgraded and improved the money to pay for them is sometimes collected by a charge called a toll Modern Technology enables the toll to be collected without holding up traffic. This improves transport by shortening journey times and bypassing towns		
	Luas – a light rail system used in Dublin City to help commuters travel quickly across the city. It consists of 2 lines the red and blue which are not yet connected It improves transport by helping people move quickly in and out of the city		

For use with SECTION B – Question 8

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

(i) National Budget for 2010			
		€	€
	INCOME		
	PAYE		16,750
	DIRT		3,750
	EXCISE DUTIES		7,500
	VAT		17,250
	CORPORATION TAX		8,750
	EXPENDITURE		
	EDUCATION	10,250	
	HEALTH SERVICES	19,750	
	SOCIAL WELFARE	15,500	
	JUSTICE	9,500	
	TRANSPORT	4,500	
	DEFICIT		-5500
(ii)		59500	59500

(A)	(iii)	Every year the Irish Government spends large sums of money on Health. Give three examples of Government spending on Health.	For Office Use Only
	(a)	NURSES’/DOCTORS’ WAGES	
	(b)	HEATING OF HOSPITALS/CLINICS	
	(c)	AMBULANCES	

For use with SECTION B – Question 8 (continued)

(B)	(i) Explain the term ‘inflation’:	For Office Use Only	
	Inflation is the increase in prices over a period of time e.g. inflation rate 4.5%		
	(ii) Identify the year that had the highest rate of inflation:		
	Answer: 2007		
	(iii) Identify the year that had the lowest rate of inflation:		
	Answer: 2005		
	(iv) Calculate the average rate of inflation over the four years:		
	Answer: 4%		
	Workings: $2.5 + 4 + 5 + 4.5 = 16/4 = 4$		
	(v) 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:		
	Answer: €21		
	Workings: $20 \times 5\% = €1$ $€20 + €1 = €21$		