



Coimisiún na Scrúduithe Stáit
State Examinations Commission

Junior Certificate 2014

Marking Scheme

BUSINESS STUDIES

Ordinary Level

Note to teachers and students on the use of published marking schemes

Marking schemes published by the State Examinations Commission are not intended to be standalone documents. They are an essential resource for examiners who receive training in the correct interpretation and application of the scheme. This training involves, among other things, marking samples of student work and discussing the marks awarded, so as to clarify the correct application of the scheme. The work of examiners is subsequently monitored by Advising Examiners to ensure consistent and accurate application of the marking scheme. This process is overseen by the Chief Examiner, usually assisted by a Chief Advising Examiner. The Chief Examiner is the final authority regarding whether or not the marking scheme has been correctly applied to any piece of candidate work.

Marking schemes are working documents. While a draft marking scheme is prepared in advance of the examination, the scheme is not finalised until examiners have applied it to candidates' work and the feedback from all examiners has been collated and considered in light of the full range of responses of candidates, the overall level of difficulty of the examination and the need to maintain consistency in standards from year to year. This published document contains the finalised scheme, as it was applied to all candidates' work. In the case of marking schemes that include model solutions or answers, it should be noted that these are not intended to be exhaustive. Variations and alternatives may also be acceptable. Examiners must consider all answers on their merits, and will have consulted with their Advising Examiners when in doubt.

Future Marking Schemes

Assumptions about future marking schemes on the basis of past schemes should be avoided. While the underlying assessment principles remain the same, the details of the marking of a particular type of question may change in the context of the contribution of that question to the overall examination in a given year. The Chief Examiner in any given year has the responsibility to determine how best to ensure the fair and accurate assessment of candidates' work and to ensure consistency in the standard of the assessment from year to year. Accordingly, aspects of the structure, detail and application of the marking scheme for a particular examination are subject to change from one year to the next without notice.



**Coimisiún na Scrúduithe Stáit
State Examinations Commission**

**JUNIOR CERTIFICATE EXAMINATION
2014**

**SUPPORT NOTES
&
MARKING SCHEME**

BUSINESS STUDIES

ORDINARY LEVEL

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.)

AGM	Annual General Meeting	[3]
ATM	Automated Teller Machine	[2]

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

Harford Ltd	Curragh Business Park, Kildare Telephone: 045-538612 Fax: 045-538517	No. 8266
Date:	4 June 2014	
Received From:	Margaret Sloan	
The Sum of:	Three hundred and eighty five euro, 50	€385.50
<i>With Thanks</i>	Signed: <i>James Hurley</i>	Accounts Department

- (i) What is this document called? A Receipt [3]
- (ii) To whom was the money paid? James Hurley/Harford Ltd. [2]

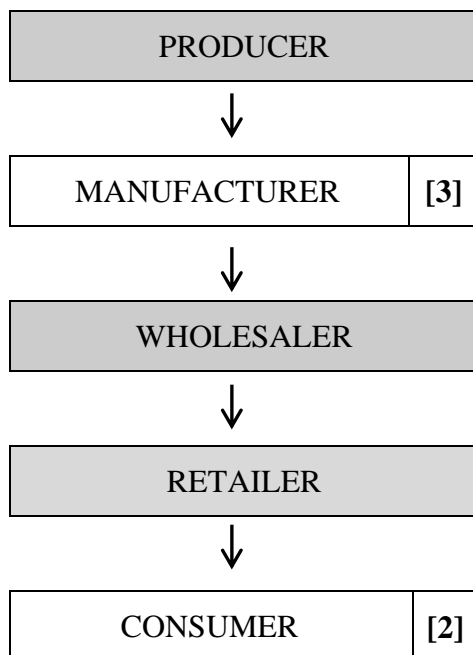
3. Fill in the **two** missing Ps of marketing in the spaces provided:

PRODUCT	[3]	PRICE	PLACE	PROMOTION	[2]
----------------	-----	--------------	--------------	------------------	-----

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

	TRUE	FALSE	
A supermarket is a large self-service shop.	✓		[1]
A street market is where people buy newspapers and petrol.		✓	[2]
A sole trader is owned and managed by a company.		✓	[2]

5. Fill in the **two** blank spaces in the following Chain of Distribution:



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

JOE QUINLAN

JOHN QUIRKE

JAMES QUINN

JASON QUIGLEY

(i)	JASON QUIGLEY	[2]
(ii)	JOE QUINLAN	[1]
(iii)	JAMES QUINN	[1]
(iv)	JOHN QUIRKE	[1]

7. The following figures are from the books of McKenna Ltd:

Motor Vehicles €5,000 Closing Stock €27,500 Wages €17,800 Cash in Bank €32,750

Enter **and** total the Current Assets in the following extract from the Balance Sheet of McKenna Ltd as at 31 December 2013:

Extract from Balance Sheet of McKenna Ltd as at 31-12-2013		
CURRENT ASSETS	€	
CLOSING STOCK	27,500	[2]
CASH IN BANK	32,750	[2]
TOTAL CURRENT ASSETS	€60,250	[1]

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

JOB	PRIMARY	SECONDARY	SERVICES	
BAKER		✓		[1]
FARMER	✓			[2]
DOCTOR			✓	[2]

9. Complete the following sentence:

A Bar Code is a series of vertical lines that identifies the product and shows the price when scanned at a checkout. 5

10. Liam Coyle lodged €1,400 to a Deposit Account in his local branch of An Post. The rate of interest on deposits is 2% per year. One year later, he withdrew all the money with interest. Liam did not have to pay any tax on the interest earned. Calculate the total amount he withdrew:

Answer
€1,428.00

Workings:	
1,400 × 2 / 100 = 28	
1,400 + 28 = 1,428	[5]

11. In **each** space below, write the correct club account term from the following list of six:

CHAIRPERSON

TREASURER

EXPENDITURE

AGENDA

ACCUMULATED FUND

SUBSCRIPTIONS

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



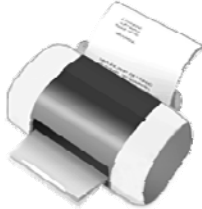
	CLUB ACCOUNT TERM	EXPLANATION	
(i)	AGENDA	A list of items to be discussed at a meeting.	[1]
(ii)	SUBSCRIPTIONS	Membership fees paid to a club.	[2]
(iii)	TREASURER	Keeps a record of the club's receipts and payments.	[2]

12. A consumer who returns a faulty good that cannot be repaired is entitled to either

(i) REFUND	[3]	OR	(ii) REPLACEMENT	[2]
------------	-----	----	------------------	-----

Complete **both** boxes.

13. In the spaces provided below, identify **each** of the computer components numbered 1, 2, 3.

			[1 + 2 + 2]
1.	2.	3.	
VDU/MONITOR	MOUSE	PRINTER	

14. Give **two** reasons why a household should prepare a budget. [3 + 2]

- (i) It helps them to plan to live within their means.
- (ii) It helps to ensure that they will not spend more than they can afford/earn.
- (iii) It predicts the movement of cash into and out of the household.
- (iv) It helps the household in making decisions as it shows future cash inflows and outflows and their sources and timing.
- (v) It identifies future cash shortages and helps the business to plan accordingly
- (vi) Comparing the budget with actual figures helps the household to keep good control of its money.

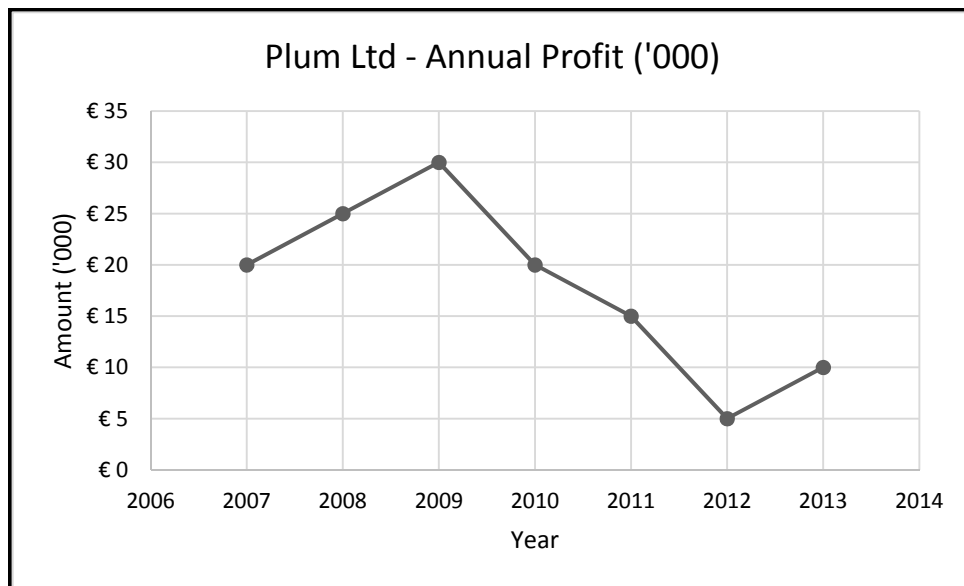
15. **Column 1** is a list of industrial relations terms. **Column 2** is a list of possible explanations for these terms. (*One explanation does not refer to any of the terms.*)

Column 1 – Terms	Column 2 – Explanations
1. Strike	A. Employees' elected representative in a Trade Union
2. Shop Steward	B. Employee asked by employer to leave the job
3. Dismissal	C. Employees refuse to do any overtime
	D. Employees in dispute withdraw their labour

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

1.	2.	3.	[1 + 2 + 2]
D	A	B	

16. The following line graph shows the annual profit for Plum Ltd for the past seven years:



Using the above graph, answer **each** of the following questions:

(i)	Identify the year that had the highest profit.	2009	[1]
(ii)	Identify the year that had the lowest profit.	2012	[2]
(iii)	What was the company's profit in the year 2007?	€20,000	[2]

17. A Private Limited Company is:

A business owned by only one person

A business owned by the state

A business owned by shareholders

5 or 0

(Tick (✓) the correct box.)

18. Sarah Ryan purchased groceries for €22.46 at her local shop. She handed the shop assistant a €50 note and received her change of €27.54. The shop assistant used the least number of notes and coins possible when counting out Sarah's change. Complete the note/coin analysis showing how many notes and coins of each description were handed out to Sarah as change.

NOTE/COIN ANALYSIS										[1 + 1 + 1 + 1 + 1]		
CHANGE	€50	€20	€10	€5	€2	€1	50c	20c	10c	5c	2c	1c
€27.54		1		1	1		1				2	

19. From the following Government budget for 2015, calculate the difference between Total Income and Total Expenditure. Indicate whether it is a **surplus budget** or a **deficit budget**:

Government Budget 2015			
		€(million)	
Total Income		79,560	
Total Expenditure		66,980	
Surplus	[3]	12,580	[2]

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	Total	Date	Details	F	Total
2014			€	2014			€
Mar 1	Balance	b/d	890	Mar 7	Telephone	GL ₃	660
14	Cash Sales	GL ₂	4,150	28	Advertising	GL ₅	1,550
				31	Balance c/d		2,830
			5,040				5,040
1	Balance b/d		2,830				[2]
							[1]
							[2]

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
2014			€	€	€
Mar 1	Balance	b/d			890
7	Telephone	GL ₃		660	230
14	Cash Sales	GL ₂	4,150		4,380
28	Advertising	GL ₅		1,550	2,830
					[2]
					[2]
					[1]

SECTION B

Question 1(A)

LEE HOUSEHOLD	SEPT	OCT	NOV	DEC	TOTAL	Marks
PLANNED INCOME	€	€	€	€	€	
Brian Lee – salary	1,800	1,800	1,800	2,200	7,600	20 × ½
Anna Lee – salary	3,200	3,200	2,900	2,900	12,200	
Child benefit	250	250	250	250	1,000	
A. TOTAL INCOME	5,250	5,250	4,950	5,350	20,800	
PLANNED EXPENDITURE						
<i>Fixed</i>						
House Rental	600	650	650	650	2,550	20 × ½
Car insurance	65	65	65	65	260	
Health insurance	190	215	215	215	835	
Subtotal	855	930	930	930	3,645	
<i>Irregular</i>						
Household costs	1,900	1,900	1,900	2,400	8,100	27 × ½
Car running costs	500	380	380	380	1,640	
Light and heat		150	900	190	1,240	
Television costs	45	205	45	45	340	
Education costs	450		300		750	
Subtotal	2,895	2,635	3,525	3,015	12,070	
<i>Discretionary</i>						
Presents				850	850	15 × ½
Entertainment costs	120	120	120	500	860	
Holiday costs	800		2,000		2,800	
Subtotal	920	120	2,120	1,350	4,510	
B. TOTAL EXPENDITURE	4,670	3,685	6,575	5,295	20,225	2 ½
Net Cash (A – B)	580	1,565	-1,625	55	575	2 ½
Opening Cash	425	1,005	2,570	945	425	2 ½
Closing Cash	1,005	2,570	945	1,000	1,000	
1½ marks – both must be the same and correct						<i>(9)</i>

(B)	Calculate the annual health insurance premium for the Lee household.			
	Answer: €2,355.00	[2]	Workings: [(9 × 190) + (3 × 215)]	[3] (5)

(C)	Does the Lee household own the house in which they live?	Answer:	No	[2]	
	One Reason:	They pay rent.			[3] (5)
<i>Q.1 Total</i>					<i>(60)</i>

Question 2(A) (i) (ii)

Trading, Profit and Loss Appropriation Account of Ross Ltd for the year ended 31 Dec 2013						
		€	€	€		
	Sales			420,000		All Figures 1m except for those shown
	<i>Cost of Sales:</i>					
	Opening Stock		42,350			
	Purchases		275,000			
	Carriage Inwards		4,150			
			321,500			
	Closing Stock		56,500	265,000		
	Gross Profit	[1]		155,000	[2]	(10)
	Less Expenditure					
	Wages		61,250			
	Telephone		2,150			
	Rent and Rates		19,450			
	Insurance		7,800			
	Advertising		1,350	92,000		
	Net Profit	[1]		63,000	[2]	
	Less Dividends			4,650		
	Reserves			58,350		(11)
Balance Sheet of Ross Ltd as at		31 Dec 2013			[2]	
	Fixed Assets	[2]	Cost	Dep	N B V	
	Premises				185,000	
	Fixtures & Fittings				47,500	
	Motor Vehicles				81,000	
					313,500	(8)
	Current Assets	[2]				
	Closing Stock		56,500			
	Cash in Hand		7,350	63,850		
	Less Current Liabilities	[2]				
	Bank Overdraft			49,000		
	Working Capital				14,850	
	TOTAL NET ASSETS				328,350	
	FINANCED BY	[2]				
	Ordinary Share Capital:		Authorised	Issued		
			400,000	270,000		
	Reserves			58,350		
	CAPITAL EMPLOYED				328,350	(16)

Question 2 (continued)

(B)	(i) Explain the term ‘Bank Overdraft ‘in the Trial Balance:		
	Bank Overdraft means that a bank allows a customer to write cheques or withdraw money from his or her current account up to a stated limit. Interest must be paid on the overdrawn balance. An overdraft is a short-term loan which must be repaid within a year.		[5]
	(ii) Calculate the Net Profit as a percentage of Cash Sales using the formula provided.		
	Answer: 15 %	Workings: $\frac{63,000}{420,000} \times \frac{100}{1} = \frac{9}{60} \times \frac{100}{1} = \frac{900}{60} = \frac{15}{1}$	[10]
			<i>(15)</i>
<i>Q.2 Total</i>			<i>(60)</i>

Question 3

(A)	(i) Using the information in the insurance quote, calculate the total net cost of insuring Cathal Kennedy's house and contents. Show your answer and workings.			
	Answer: €682.20 [2]	Workings: $19 \times 24.50 = 465.50$ [4] $45 \times 6.50 = 292.50$ [4] 758.00 $10\% = 75.80$ [2] 682.20		(12)

(B)	Letter:	Layout	13	
		Content	20	
		English	4	
		Neatness/presentation	3	
		14 Fern View Callan Co. Kilkenny	[2]	
		6 June 2014	[2]	
	Mr Michael Leonard Manager Highfield Insurance Co Ltd. 16 Castle Street Kilkenny		[2]	
	Re: House Insurance		[1]	
	Dear Mr Leonard		[2]	
	I wish to thank you for your Insurance Quote.		[4]	
	I am prepared to accept the quote in full. I have a burglar alarm installed.		[4] [4]	
	I am enclosing a cheque of €682.20 to cover the total net cost of the premium.		[4]	
	I would also be interested in a quote for motor insurance for my 2012 Ford Focus car.		[4]	
	Yours faithfully Cathal Kennedy		[2] [2]	
	Enc: 1			
		English [4]	Neatness/presentation [3]	(40)

(C)	Answer each of the following questions:		Answer	
	(i)	A person seeking insurance must first complete an application form showing details of what is to be insured. Name this form.	PROPOSAL FORM	[4]
	(ii)	Name the form which must be completed when seeking compensation from the insurance company in the event of a loss.	CLAIM FORM	[4]
				(8)
			<i>Q.3 Total</i>	(60)

Question 4

			Answer		Workings	
(A)	(i)	Calculate Aoife Lynch's basic pay per hour.	€12.00	[2]	$420/35 = 12$	[3]
	(ii)	Calculate how much she earns for one hour's overtime.	€18.00	[2]	$12 \times 1.5 = 18$	[3]
	(iii)	Calculate the number of overtime hours she worked in Week 21.	6	[2]	$108/18 = 6$	[3]
	(iv)	Gross Pay: An employee's full weekly/monthly wage before any deductions are made for items such as income tax, PRSI, savings, trade union membership or health insurance.				[5]
	(v)	Aoife's employer deducts €20 each week from her wages for a savings scheme. State two different types of institution where this money could be placed to earn a return for Aoife.				
		<ol style="list-style-type: none"> 1. An Post 2. Commercial Banks 3. Building Societies 4. Credit Unions 5. Insurance Companies (investment funds) 				[4]
						(24)

(B) Using the information provided, complete Aoife's wage slip for Week 22.

Employee No. 10	Aoife Lynch		Week 22	Date: 30 May 2014	2
PAY:	€	DEDUCTIONS:	€	Shannon Stores Ltd	
BASIC	420.00	PAYE	75.80		2 + 2
OVERTIME	72.00	PRSI	34.44		4 + 4
		SAVINGS	20.00	NET PAY	2
GROSS PAY	492.00	TOTAL DEDUCTIONS	130.24	€61.76	[1 + 1 + 2]
					(20)

(C)	State two rights and two responsibilities Aoife has as an employee of Shannon Stores Ltd	
	Rights:	Responsibilities:
	<ul style="list-style-type: none"> • To have safe working conditions. • To receive a fair wage. • To get annual holidays. • To have a chance of promotion. • To join a trade union. 	<ul style="list-style-type: none"> • To do an honest day's work. • To be punctual. • To respect employer's property. • To attend every working day. • To follow employer's instructions and regulations. • To protect and promote the good name of Shannon Stores Ltd.
	[2 x 4]	[2 x 4]
		(16)
		Q.4 Total (60)

Question 5

(A)

(i) What business document would Michael O'Brien have checked before sending the Order to Electronic Supplies Ltd?			
Answer:	Quotation	[5]	(5)

(ii) **Order**

Computer World Ltd			
Treaty Industrial Estate, Limerick		ORDER No. 3678	
Telephone:	061 6543279		
Fax:	061 6543278	VAT Reg No. IE 7016542	
e-mail:	cworld@shan.ie		
		Date: 19 May 2014	[1]
The Manager Electronic Supplies Ltd Blackwater Business Park Mallow Co. Cork			[1]
Please supply the following goods:			
QUANTITY	DESCRIPTION	PRICE EACH €	
30	Toshiba Laptops Model TL564	350.00	[3]
15	Acer Icons Model AI311	415.00	[3]
85	Epson Printers Model EP602	120.00	[3]
50	Sony Tablets Model ST232	160.00	[3]
Signed:	<i>Michael O'Brien</i>	[1]	Title: Purchasing Manager
			1 (16)

Question 5 (continued)

(B) Complete the Invoice:

Electronic Supplies Ltd					INVOICE No. 1560	
Blackwater Business Park, Mallow, Co. Cork						
Telephone: 021-724186			VAT Reg. No. IE8329167			
Fax: 021-725224						
e-mail: esupplies@cork.ie						
					Date: 22 May 2014	[2]
					Your Order No.: 3678	[1]
Michael O'Brien Purchasing Manager Computer World Ltd Treaty Industrial Estate Limerick						[2]
QUANTITY	DESCRIPTION	MODEL No.	PRICE EACH €	TOTAL €		
30	Toshiba Laptops	TL564	350.00	10,500.00	[5]	
15	Acer Icons	AI311	415.00	6,225.00	[5]	
50	Sony Tablets	ST232	160.00	8,000.00	[5]	
				Total (Excluding VAT)	24,725.00	[2]
				Trade Discount 15%	- 3,708.75	[2]
				Subtotal	21,016.25	[2]
				VAT 20%	+ 4,203.25	[2]
				Total (Including VAT)	25,219.50	[2]
Carriage Paid E & OE						(30)

Question 5 (continued)

(C)

Dr				Computer World Ltd - Bank Account				Cr
Date	Details	F	Total	Date	Details	F	Total	
2014			€	2014			€	
				22 May	Electronic Supplies Ltd		25,219.50	
				[3]	[3]		[3]	

OR

Computer World Ltd - Bank Account						
Date	Details	F	Dr	Cr	Balance	
2014			€	€	€	
22 May	Electronic Supplies Ltd			25,219.50		
[3]	[3]			[3]	(9)	
<i>Q.5 Total</i>						(60)

Question 6

(A) Enter the transaction of 19 February 2014 in the Petty Cash Voucher.

FOSTER Ltd		PETTY CASH VOUCHER No. 78		
		Date	19 February 2014	
Details		Amount		
		€	c	
Fastcabs Ltd – taxi for Sales Manager	[3]	27	00	[3]
Signature:	<i>Eileen Kelly</i> [3]			(12)

(B)	(i)	State one reason why a business uses a Petty Cash Book.
		To keep an account of small office expenses. (5)

Question 6 (continued)

(B) (ii)

Petty Cash Book of Foster Ltd

Dr			Cr								
Date	Details	Total	Date	Details	Voucher No.	Total	Postage	Stationery	Repairs	Cleaning	Other
2014		€	2014			€	€	€	€	€	€
Feb 1	Balance	350	Feb 3	Envelopes	71	15		15			
			4	Postage	72	21	21				
			6	Photocopier paper	73	20		20			
			10	Cleaning materials	74	16				16	
			11	Charity raffle tickets	75	10					10
			14	Repairs to computer	76	65			65		
			18	Office cleaning	77	40				40	
			19	Taxi for Sales Manager	78	27					27
			20	Ink for printer	79	28		28			
			21	Repairs to office door	80	20			20		
			26	Parcel postage	81	12	12				
			27	Repairs to photocopier	82	30			30		
						304	33	63	115	56	37
		350	28	Balance c/d		46					
						350					
Feb 28	Balance b/d	46									
1	1	2	3	3	2	14	3	4	4	3	3
											(43)
											<i>Q.6 Total</i>
											(60)

(Headings = 15 + Figures 28 = 43)

Question 7

(A)	(i) Explain two advantages of using road transport. [2 x 4]			
	<ul style="list-style-type: none"> • Fast over short distances • Door-to-door delivery • Minimum handling of goods – one loading and unloading • Can be used at all times • Firms can advertise on the sides of delivery vans 	(8)		
	(ii) Explain two disadvantages of using road transport. [2 x 4]			
	<ul style="list-style-type: none"> • Slow over very long distances • Some roads not suitable for lorries with very bulky goods • Traffic congestion in cities and on some busy roads can cause delays • Delays can also be caused by fog, frost, snow or flooded roads • Toll roads may add to the cost 	(8)		
(B)	(i) Calculate the latest time that a van driver from Prompt Couriers Ltd can set off from Galway to deliver the packet by 11.00 a.m. in Wexford.			
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black; padding: 5px;"> Answer: Latest time of departure: <div style="text-align: right; border-bottom: 1px solid black; width: 100px; margin: 0 auto;">4.30 a.m. [4]</div> </td> <td style="width: 50%; padding: 5px;"> Workings: $275/50 = 5.5$ [3] $5.5 + 1 = 6.5$ [3] $6.5 \text{ hours} = 6 \text{ hrs. } 30 \text{ mins.}$ [1] $11.00 - 6 \text{ hrs } 30 \text{ mins} = 4.30 \text{ a.m.}$ [3] </td> </tr> </table>	Answer: Latest time of departure: <div style="text-align: right; border-bottom: 1px solid black; width: 100px; margin: 0 auto;">4.30 a.m. [4]</div>	Workings: $275/50 = 5.5$ [3] $5.5 + 1 = 6.5$ [3] $6.5 \text{ hours} = 6 \text{ hrs. } 30 \text{ mins.}$ [1] $11.00 - 6 \text{ hrs } 30 \text{ mins} = 4.30 \text{ a.m.}$ [3]	(14)
Answer: Latest time of departure: <div style="text-align: right; border-bottom: 1px solid black; width: 100px; margin: 0 auto;">4.30 a.m. [4]</div>	Workings: $275/50 = 5.5$ [3] $5.5 + 1 = 6.5$ [3] $6.5 \text{ hours} = 6 \text{ hrs. } 30 \text{ mins.}$ [1] $11.00 - 6 \text{ hrs } 30 \text{ mins} = 4.30 \text{ a.m.}$ [3]			
	(ii) If the delivery van travels 25 kilometres for every litre of diesel, calculate how many litres of diesel were used for the return journey to Wexford and back.			
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black; padding: 5px;"> Answer: <div style="text-align: center;">22 Litres [4]</div> </td> <td style="width: 50%; padding: 5px;"> Workings: $275 \times 2 = 550$ [3] $550/25 = 22$ [3] </td> </tr> </table>	Answer: <div style="text-align: center;">22 Litres [4]</div>	Workings: $275 \times 2 = 550$ [3] $550/25 = 22$ [3]	(10)
Answer: <div style="text-align: center;">22 Litres [4]</div>	Workings: $275 \times 2 = 550$ [3] $550/25 = 22$ [3]			
	(iii) If the price of diesel was €1.50 per litre, calculate the total cost of diesel used.			
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black; padding: 5px;"> Answer: <div style="text-align: center;">€33.00 [4]</div> </td> <td style="width: 50%; padding: 5px;"> Workings: $22 \times 1.50 = 33$ [4] </td> </tr> </table>	Answer: <div style="text-align: center;">€33.00 [4]</div>	Workings: $22 \times 1.50 = 33$ [4]	(8)
Answer: <div style="text-align: center;">€33.00 [4]</div>	Workings: $22 \times 1.50 = 33$ [4]			
(C)	Explain two of the following terms relating to transport in Ireland: [2 x 6]			
	Bicycle lanes	Special lanes for bicycles to encourage more people to cycle to work and help to reduce the number of cars on the roads.		
	Toll roads	Roads for which a fee must be paid in order to drive on them.		
	Motorways	High quality roads designed to carry heavy traffic quickly and safely.		
	Tunnels	Underground roads to carry traffic through mountains or built-up areas.		
<i>Q.7 Total</i>				
(60)				

Question 8 (continued)

(B)	(i) State two reasons why Ireland exports goods and services to other countries. [2 × 4]		
	<ul style="list-style-type: none"> • To obtain foreign currency (for necessary imports) • To create more employment in Ireland • To sell more goods and increase profits • To sell goods surplus to home requirements 		(8)
	(ii) Explain two difficulties Farfoods Ltd might face if they wish to export agricultural products to the UK. [2 × 4]		
	<ul style="list-style-type: none"> • Transport costs – ferries/flights required • Currency exchange rates– Euro v Sterling • Extra documents and forms to be completed/legal requirements • Products must be advertised and promoted in UK. • Compete with local produce. 		(8)

(C)	(i) Gerard Carroll is sales manager in Farfoods Ltd. He is going on a sales promotion visit to the UK. He books a hotel for a week which costs £630.00 (Sterling). If the Rate of Exchange is €1 = £0.84, calculate the amount of euro he will have to pay for his hotel bill.		
	Answer: €750.00 [1]	Workings 630/0.84 = 750 [3]	(4)
	(ii) State two examples of sales promotion [2 × 3]		
	Special Offers, e.g.- two for price of one, three for price of two	<ul style="list-style-type: none"> • Free samples • Window displays • Extra discounts 	(10)
<i>Q.8 Total</i>			(60)

