

JC Business Studies Ordinary Level Only
EXAMINATION BOOKLET

Candidate's Examination Number



Coimisiún na Scrúduithe Stáit
State Examinations Commission

JUNIOR CERTIFICATE EXAMINATION 2015

BUSINESS STUDIES – ORDINARY LEVEL

TUESDAY 9 JUNE 2015 – 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

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

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.	

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	
VDU	

2. State **two** possible causes of a strike.

1.	
2.	

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

UNA O'ROURKE SINÉAD O'RIADA CLAIRE O'RAHILLY AOIFE O'RIORDAN

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

4. Complete the following sentence by filling in the missing words:

The **treasurer** is the person who collects _____
and pays _____ in a _____.

5. In **each** space below, write the correct document name from the following list:

DELIVERY NOTE INVOICE STATEMENT QUOTATION ORDER

(Two of the documents above do not refer to any of the explanations below.)

	DOCUMENT	EXPLANATION
(i)		This gives advance information on the price of the goods and the terms of sale.
(ii)		This is a summary of a month's transactions sent by a seller to a customer.
(iii)		This shows the quantity, description, price and total cost of the goods purchased.

6. One of the following is **not** a 'benefit in kind':

Company car

Free uniform

Wages

(Tick (✓) the correct box.)

7. Roy Lane is going to the UK to watch Liverpool play against Manchester United. He has saved €500 for spending money. He visits his local bank to exchange his euro for sterling. The current exchange rate is: €1 = £0.77

Calculate the amount of sterling he will receive for €500.

Answer
£

Workings:

8. Mary Crehan purchased groceries for €55.09 at her local shop. She handed the shop assistant two €50 notes and received her change of €44.91. The shop assistant used the least number of notes and coins possible when counting out Mary's change.

Complete the note/coin analysis showing how many notes and coins of each description were handed out to Mary as change.

NOTE/COIN ANALYSIS												
CHANGE	€50	€20	€10	€5	€2	€1	50c	20c	10c	5c	2c	1c
€44.91												

9. From the following Operating Statement of a doctor for the year ending 31 December 2014, calculate the difference between Total Income and Total Expenditure. Indicate whether the balance is a **profit** or a **loss**:

Operating Statement for year ending 31-12-14	
	€
Total Income	276,185
Total Expenditure	287,650

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

	TRUE	FALSE
Utmost Good Faith means that you may not profit from insurance.		
Indemnity means that you must trust your insurance company.		
Insurable Interest means that you must benefit by the existence of what you have insured and suffer by its loss.		

11. The following figures are from the books of Warren Ltd:

Motor Vans €173,250 Opening Stock €83,750 Sales €216,000 Buildings €298,500

Enter **and** total the Fixed Assets in the following extract from the Balance Sheet of Warren Ltd as at 31 December 2014:

Extract from Balance Sheet of Warren Ltd as at 31-12-2014	
FIXED ASSETS	€
TOTAL FIXED ASSETS	

12. **Column 1** shows a list of consumer 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. Scarcity	A. Having to sacrifice one item to buy another
2. Opportunity Cost	B. Buying on the spur of the moment
3. Impulse Buying	C. An increase in GNP from one year to the next
	D. When something is in short supply

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

1.	2.	3.

13. A summer festival is taking place in your local area next month.

State **three** suitable methods of advertising this festival.

1.

2.

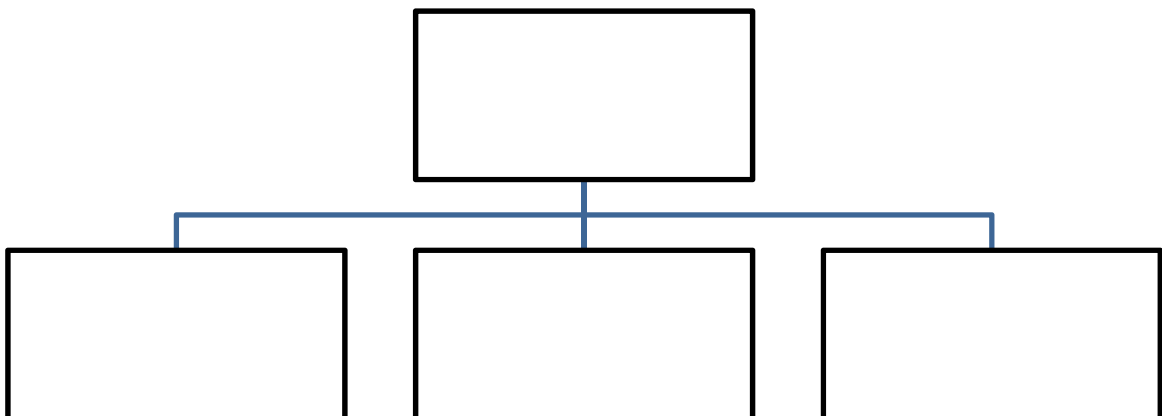
3.

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

	PRICE		PROMOTION
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15. A retail shop has a grocery department, a clothing department, a hardware department and a manager.

Show this information in the following Organisational Chart:



16. 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	
2015			€	2015			€	
Apr 1	Balance	b/d	540	Apr 8	Rent	GL ₃	320	
10	Cash Sales	GL ₄	630	20	Insurance	GL ₅	260	

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
2015			€	€	€
Apr 1	Balance	b/d			540
8	Rent	GL ₃		320	
10	Cash Sales	GL ₄	630		
20	Insurance	GL ₅		260	

17. A courier travels from Cork to Ennis and from there to Dublin, where she stays overnight. From the Distance Table below, calculate how many kilometres she travels that day.

DISTANCE TABLE (Km)

Cavan					
300	Cork				
110	400	Donegal			
112	260	222	Dublin		
82	325	158	85	Dundalk	
200	142	260	232	256	Ennis
166	210	205	216	238	70 Galway

Answer:	Km
Workings:	

18. Are shops allowed to display the following notices under Irish consumer law?

Tick (✓) the correct box in each case.

		ALLOWED	NOT ALLOWED
(i)	Closed Every Monday		
(ii)	No Refunds		
(iii)	Credit Notes Only		

19. Study the following bank statement and answer the **two** questions that follow:

Bank of Ireland		Statement No. 7864		
Main Street, Sligo				
Ms Claire Whelan Bulben View Sligo		Account Name:	CLAIRE WHELAN	
		Account Number:	75987536	
		Date:	31 March 2015	
Date	Details	Dr	Cr	Balance
01 March 2015	Balance forward	€	€	€ 450.00
12 March 2015	Credit Transfer		250.00	700.00
19 March 2015	Cheque No. 22459	175.00		525.00

	QUESTIONS	ANSWER
(i)	Identify the account holder.	
(ii)	State the balance as on 31 March 2015.	€

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

	YES	NO
SPAIN		
SUDAN		
SWEDEN		

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 any **five** questions.

Please read the questions in Section B carefully before answering.

This area may be used for workings if required.

For use with SECTION B – Question 1

(A)

MORAN HOUSEHOLD	JUNE	JULY	AUGUST	SEPT	TOTAL
PLANNED INCOME	€	€	€	€	€
Timmy Moran - salary					
Kate Moran - salary					
Child benefit					
A. TOTAL INCOME					
PLANNED EXPENDITURE					
<i>Fixed</i>					
House mortgage					
House insurance					
Health insurance					
Subtotal					
<i>Irregular</i>					
Household costs					
Transport costs					
Telephone costs					
Light and Heat					
Education costs					
Subtotal					
<i>Discretionary</i>					
Holiday costs					
Entertainment costs					
Subtotal					
B. TOTAL EXPENDITURE					
Net cash (A – B)					
Opening cash					
Closing cash					

(B)	Two methods by which the Moran household could pay its electricity bills:	1.	
		2.	
(C)	Calculate the annual health insurance premium for the Moran household. Show your answer and workings.	Answer: €	Workings:

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)	Gross pay can be calculated by using one or more of the following methods: Time rate Piece rate Flat rate Commission Explain any two of the above terms.		
	1.		
	2.		

(C)	Explain the difference between ‘work’ and ‘employment’. Give one example in each case.		
	Work:		
	Example of work:		
	Employment:		
	Example of employment:		

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

(A)	(i)	Explain the term ‘imports’.	For Office Use Only	
	(ii)	State two reasons why Ireland imports goods and services.		
		1.		
		2.		

(B)	(i)	In Economics, explain the terms ‘needs’ and ‘wants’. Give two examples of each.		
		Needs:		
		Two examples of needs:		
		Wants:		
		Two examples of wants:		
	(ii)	The four factors of production are land, labour, capital and enterprise. Explain two of the factors of production.		
		1.		
		2.		

For use with SECTION B – Question 4 (continued)

(C)	(i)	Prepare the National Budget of the Sunshine Government for 2016 from the information supplied.
	(ii)	Indicate whether it is a ‘surplus’ or a ‘deficit’ budget.


(i) National Budget for the year 2016				
			€000	€000
	INCOME			
	EXPENDITURE			
(ii)				

(iii)	Every year the Irish Government spends large sums of money on Social Welfare (also called Social Protection). Give two examples of Government spending on Social Welfare.	For Office Use Only	
	1.		
	2.		

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 (continued)

(C) Complete the cheque and counterfoil:

Date		AIB Bank		93-72-46
To		Main Street, Gorey, Co. Wexford		Date
Balance	€ 28,500.00	Pay	or order euro euro euro	
This Cheque				€
New Balance				PINE LTD
				
371526		371526	937246	89635114

(D) Enter the cheque payment in the bank account of Pine Ltd:

Dr				Pine Ltd – Bank Account				Cr
2015	Details	F	€		2015	Details	F	€

OR

Pine Ltd – Bank Account						
Date	Details	F	Dr	Cr	Balance	
2015			€	€	€	

Workings (if required)

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)	Explain two reasons why farmers should keep accounts.	For Office Use Only	
	1.		
	2.		

(C)	Jack Murphy plans to build a new milking barn costing €250,000. He can use only one of the following sources of finance: <ul style="list-style-type: none"> • Hire Purchase • Bank Overdraft • Long term loan 		
	(i) Explain two of the above sources of finance.		
	1.		
	2.		
	(ii) Which one of the above is the most suitable source of finance for building the new milking barn?		
	Answer:		

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)	(i)	State three advantages that Seán Delaney gains from running his own business.	For Office Use Only		
		1.			
		2.			
		3.			
		(ii)	State two disadvantages that Seán might have in running his own business		
			1.		
		2.			

(B)	(i)	State two advantages of a private limited company.		
		1.		
		2.		

For use with SECTION B – Question 7 (continued)

(B) (ii) From the given details, complete the Memorandum of Association of Woodcraft Ltd.

MEMORANDUM OF ASSOCIATION				
1. The name of the company is				
2. The object of the company is				
3. The liability of the members is limited.				
4. The share capital of the company is €150,000, divided into		ordinary shares of		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		
		Director		
Date:				

(C) From the following list, complete the Form of Business column for **each** of the five businesses shown below.

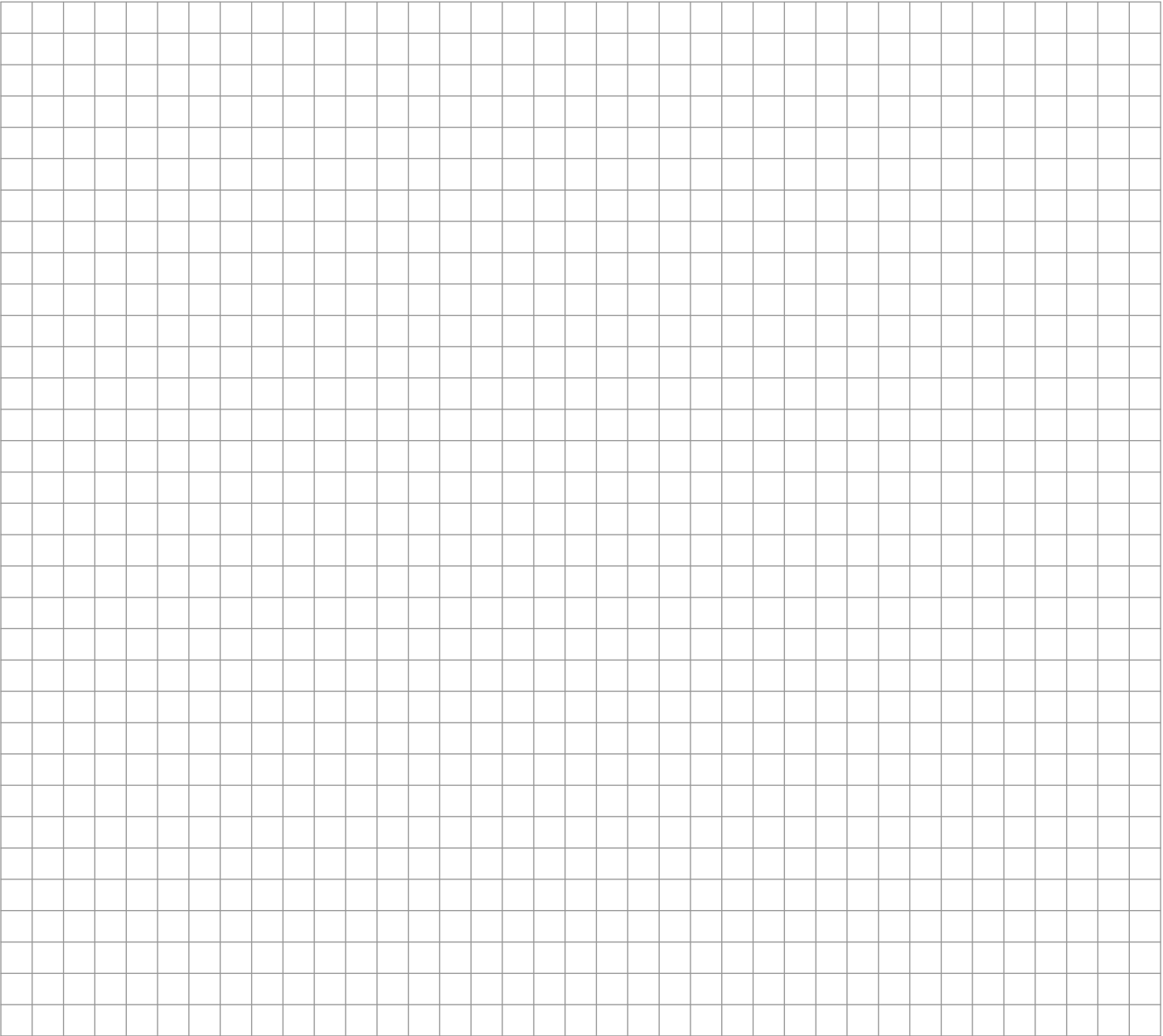
Sole trader
Private limited company
Co-operative
State owned company

	Business	Form of Business	For Office Use Only	
1.	Bus Éireann			
2.	Foley Construction Ltd			
3.	Paul O'Connor, Butcher			
4.	Credit Union			
5.	Fáilte Ireland			

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)	(i)	Show World of Laptops Ltd sales information in the form of a Bar Chart or Histogram .
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(A)	(ii)	Calculate the total sales for World of Laptops Ltd in 2014. Show your answer and workings.	For Office Use Only
		<p style="text-align: center;">Answer: €</p> <p style="text-align: center;">Workings:</p>	

For use with SECTION B – Question 8 (continued)

(B)	(i)	State two uses that Kate could make of a Spreadsheet package.	For Office Use Only	
		1.		
		2.		
	(ii)	State one use that she could make of a Word Processing package.		
	(iii)	Explain three advantages for Kate of using the internet if she bought the laptop.		
		1.		
		2.		
		3.		
(C)	In each space provided below, write the correct term for each explanation from the following list: SOFTWARE DATABASE MEMORY HARDWARE KEYBOARD <i>(One of the terms above does not refer to any of the explanations below.)</i>			
		EXPLANATION	TERM	
	(i)	Used for organising and filing information on a computer or laptop.		
	(ii)	The physical part of a computer or laptop. The parts which you can see.		
	(iii)	Used for putting information into the computer or laptop.		
(iv)	Programs which instruct a computer or laptop how to perform tasks. The computer will not work without them.			

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