



Coimisiún na Scrúduithe Stáit
State Examinations Commission

Junior Certificate 2017

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
2017**

Support Notes and Marking Scheme

BUSINESS STUDIES

ORDINARY LEVEL

SECTION A

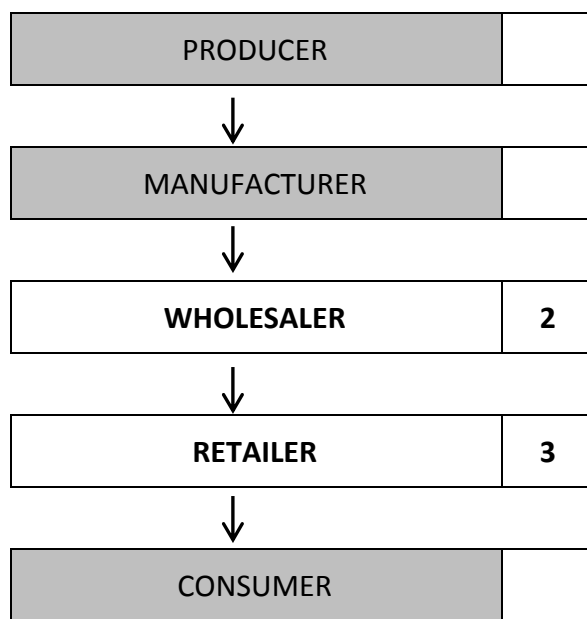
(100 marks)

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.)

PAYE	Pay As You Earn	2
EU	European Union	3

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



3. State **three** types of financial institution in which people may place the money they have saved:

Bank	1
Credit Union	2
Post Office	2


4. Give **one** example of **each** of the following types of production:

Type of Production	Example	
Primary	Agriculture	2
Services	Teaching	3

5. Kelly Fashions Ltd has decided to change from advertising in newspapers to advertising on the internet. Name **two** advantages of making this change.

Will be seen by a larger audience	4
Can be updated daily	1
Cheaper to set up and use own website/appeals to younger customers who use social media.	

6. Barry's Tea Bags can be bought in three box sizes, 80 bags, 160 bags and 600 bags.

	80 Bags	160 Bags	600 Bags
	€4.00	€6.40	€27.00
	per box	per box	per box

Calculate which box size offers the best value for money. Show your workings.

Answer	
Box Size:	160 Bags

Workings:	
$4.00/80 = 0.05$	2 + 3
$6.40/160 = 0.04$	
$27.00/600 = 0.045$	

7. A sales person travels from Cavan to Galway 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)




Carlow									
172	Cavan								
188	300	Cork							
296	110	400	Donegal						
84	112	260	222	Dublin					
172	82	325	158	85	Dundalk				
178	200	142	260	232	256	Ennis			
188	167	198	205	210	238	70	Galway		

Answer:	382 Km	5
Workings:		
$167 + 210 = 377$		

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

	TRUE	FALSE	
Net Profit is equal to Gross Profit plus Expenses.		✓	1
Net Profit is equal to Sales less Expenses.		✓	2
Net Profit is equal to Gross Profit less Expenses.	✓		2

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

		
1.	2.	3.
MOUSE	KEYBOARD	MONITOR
1	2	2

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

RECESSION PURCHASES PRICES INCOME GROWTH

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

(i) Inflation is a rise in PRICES from one year to the next.	2
(ii) Economic GROWTH is when the amount of goods and services produced by a country increases from one year to the next.	3

11. Fill in the **two** missing Factors of Production in the spaces provided:

LAND	LABOUR	CAPITAL	ENTERPRISE
	2	3	

12. From the following Government budget for 2018, calculate the difference between Total Income and Total Expenditure. Indicate whether it is a **surplus budget** or a **deficit budget**:

Government Budget 2018	
	€ (million)
Total Income	175,850
Total Expenditure	186,340
Deficit	(10,490)
2	3

13. Under Irish consumer law, are shops allowed to display the following notices?
Place a tick (✓) under "Yes" or "No" in each case.

Cash Only Accepted	
YES	NO
✓	
2	

No Refunds	
YES	NO
	✓
	3

14. The following figures are from the books of Duffy Ltd:

Reserves	€18,500	Cash in Bank	€11,250
Premises	€640,000	Issued Share Capital	€300,000

Enter **and** total the 'Financed by' section in the following extract from the Balance Sheet of Duffy Ltd as at 31 December 2016:

Extract from Balance Sheet of Duffy Ltd as at 31-12-2016		
Financed by:	€	
Issued Share Capital	300,000	1 + 1
Reserves	18,500	1 + 1
TOTAL CAPITAL EMPLOYED	318,500	1

15. A farmer wants to borrow €45,000 to purchase a new machine.

- (i) Identify the most suitable source of finance from the following list.
Place a tick (✓) under the correct source.

MORTGAGE	TERM LOAN	HIRE PURCHASE
	✓	
	4	

- (ii) State **one** reason for your answer.

A term loan is a medium-term loan from a bank, with lower rate of interest than Hire Purchase. Mortgages are for purchasing of property.	1
--	----------

16. **Column 1** shows 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. Work-to-rule	A. Employees' elected representative in a Trade Union
2. Shop Steward	B. Employees occupy the premises in which they work
3. Strike	C. Employees do their essential duties and nothing more
	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.
C	A	D
1	2	2

17. Answer either (A) or (B).

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

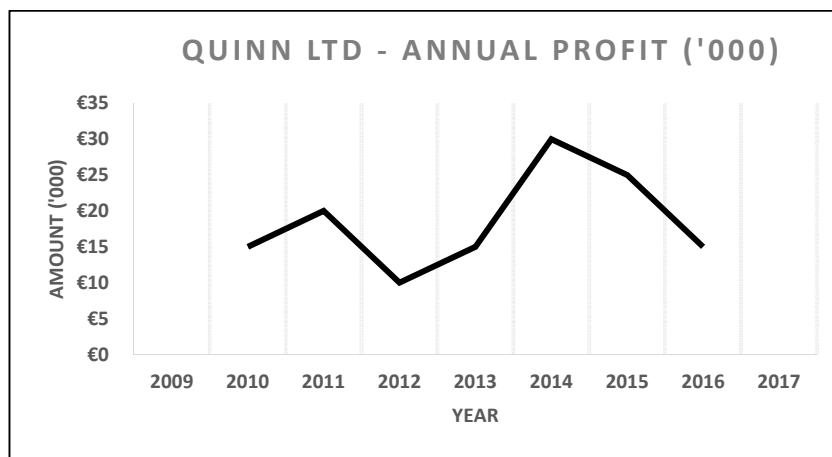
Dr				Cash Account				Cr	
Date	Details	F	Total	Date	Details	F	Total		
2017			€	2017			€		
May 1	Balance	b/d	490	May 9	Wages	GL ₇	295		
16	Cash Sales	GL ₂	870	23	Cash Purchases	GL ₃	485		
				30	Balance c/d		580	2	
			1,360				1,360	1	
31	Balance b/d		580						

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	
2017			€	€	€	
May 1	Balance	b/d			490	
9	Wages	GL ₇		295	195	2
16	Cash Sales	GL ₂	870		1,065	2
23	Cash Purchases	GL ₃		485	580	1

18. The following line graph shows the annual profit for Quinn Ltd for seven years:



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

	Questions	Answers	
(i)	Identify the year that had the highest profit.	2014	1
(ii)	Identify the year that had the lowest profit.	2012	2
(iii)	What was the company's profit in the year 2015?	€25,000	2

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

MIKE PHILPOTT

SEÁN PHELAN

JAMES PHILLIPS

BRIAN PHILIBIN

(i)	SEÁN PHELAN	2
(ii)	BRIAN PHILIBIN	1
(iii)	JAMES PHILLIPS	1
(iv)	MIKE PHILPOTT	1

20. Frances Lee purchased groceries for **€70.86** at her local shop. She handed the cashier **four €20 notes** and received her change. The cashier used the least number of notes and coins possible when counting out Frances's change.

Complete the note/coin analysis showing how much change Frances received and how many notes and coins of each description were handed out to her.

NOTE/COIN ANALYSIS												
CHANGE	€50	€20	€10	€5	€2	€1	50c	20c	10c	5c	2c	1c
€9.14				1	2				1		2	
1				1	1				1		1	

SECTION B

Question 1

(A) FAHY HOUSEHOLD	JULY	AUG	SEPT	OCT	TOTAL	Marks	
PLANNED INCOME	€	€	€	€	€		
Maura Fahy - Salary	2,100	2,100	2,100	2,100	8,400	20 × ½	
Seán Fahy - Salary	1,950	1,950	2,230	2,230	8,360		
Child Benefit	140	140	280	280	840		
A. TOTAL INCOME	4,190	4,190	4,610	4,610	17,600	<i>(10)</i>	
PLANNED EXPENDITURE							
<i>Fixed</i>							
House Rental	1,425	1,425	1,425	1,425	5,700	20 × ½	
House Insurance	40	40	40	40	160		
Health Insurance	290	350	350	350	1,340		
Subtotal	1,755	1,815	1,815	1,815	7,200		<i>(10)</i>
<i>Irregular</i>							
Household costs	650	650	650	750	2,700	26 × ½	
Motoring costs	230	230	290	290	1,040		
Light and Heat		135		285	420		
Education costs		850	250		1,100		
Telephone costs	60	60	60	60	240		
Subtotal	940	1,925	1,250	1,385	5,500		<i>(13)</i>
<i>Discretionary</i>							
Entertainment costs	350	350	200	200	1,100	15 × ½	
Holiday savings	200	200	200	200	800		
Subtotal	550	550	400	400	1,900		<i>(7½)</i>
B. TOTAL EXPENDITURE	3,245	4,290	3,465	3,600	14,600	2½	
Net Cash (A-B)	945	-100	1,145	1,010	3,000	2½	
Opening Cash	750	1,695	1,595	2,740	750	2½	
Closing Cash	1,695	1,595	2,740	3,750	3,750		
				2 marks – both must be the same and correct		<i>(9½)</i>	
(B)	On the basis of your completed four-month budget, can the household afford mortgage repayments of €1,700 per month?			YES	✓	NO	1
	Explain your answer: The household cash will increase by €3,000 over 4 months. Mortgage will require an extra €275 per month, which is €1,100 over 4 months. They will have enough for the mortgage.					4	
(C)	The Fahy household is saving for its holidays in June 2018. Calculate how much the household will have saved by 31 December 2017. Show your answer and workings.		<i>Workings:</i> 6 months at €200 = €1,200 Answer: €1,200			5	
A = 50, B = 5, C = 5				<i>Q.1 Total</i>		(60)	

2 (A) (i), (ii)

Trading, Profit and Loss Appropriation Account of Ash Ltd for the year ended 31 Dec 2016							
		€	€	€			
Sales				424,000		All figures 1m except for those shown	
<i>Cost of Sales:</i>							
Opening Stock			27,800				
Purchases			136,000				
Carriage Inwards			14,000				
Cost of goods available for sale			177,800				
Closing Stock			45,000	132,800			
Gross Profit	[1]			291,200	[2]		(10)
Less Expenditure							
Wages			72,000				
Advertising			14,700				
Insurance			8,500				
Interest on Bank Overdraft			2,400				
Telephone			2,900	100,500			
Net Profit	[1]			190,700	[2]		
Less Dividends				21,000			
Reserves				169,700		(11)	
Balance Sheet of Ash Ltd as at 31 Dec 2016					[2]		
Fixed Assets	[2]	Cost	Dep.	N B V			
Buildings				260,000			
Machinery				125,000			
Motor Vehicles				186,000			
				571,000		(8)	
Current Assets	[2]						
Closing Stock		45,000					
Cash in Hand		2,700	47,700				
Less Current Liabilities	[2]						
Bank Overdraft			29,000				
Working Capital				18,700			
TOTAL NET ASSETS				589,700			
FINANCED BY	[2]						
Ordinary Share Capital:		Authorised	Issued				
		550,000	420,000				
Reserves			169,700				
CAPITAL EMPLOYED				589,700		(16)	

(B)	(i) Explain the term 'Bank Overdraft' in the Trial Balance.	5
	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.	
	(ii) Calculate the Rate of Dividend Paid as a percentage of Issued Share Capital using the formula provided: $\frac{\text{Dividend Paid}}{\text{Issued Share Capital}} \times \frac{100}{1}$ Show your answer and workings.	10
	Answer: 5%	Workings $\frac{21,000}{420,000} \times \frac{100}{1}$
		(15)
	<i>Q.2 Total</i>	(60)

A = 45

B = 15

Question 3

(A)	<p>Write the letter that Mary Kelly sent to Tom and Sheila Hogan on 13 June 2017.</p> <table border="1" data-bbox="300 237 1254 297"> <tr> <td>Layout 13</td> <td>Content 20</td> <td>English 4</td> <td>Neatness/presentation 3</td> </tr> </table>	Layout 13	Content 20	English 4	Neatness/presentation 3	
Layout 13	Content 20	English 4	Neatness/presentation 3			
	<p style="text-align: right;">Dolmen View Carlow 13 June 2017</p> <p>Tom and Sheila Hogan Grey Bog Road Carlow</p> <p style="text-align: center;">Re: Your request re private limited company</p> <p>Dear Tom and Sheila</p> <p>Thank you for asking me for advice on setting up a private limited company. Two advantages of setting up as a private limited company are:</p> <ul style="list-style-type: none"> • You will have limited liability which means that if your company fails you will only lose what you have invested in it. Your own house and personal assets will not be lost. • If you wish to expand your company at a later stage, you can bring in up to 147 more shareholders because you are allowed to have between 1 and 149 shareholders. <p>I would like to meet you in my office at Dolmen View at 10.00 am on 20 June 2017 to discuss the setting up of a company in greater detail.</p> <p>Please note that the fee for my advice will be €250.</p> <p>Hoping to see you then.</p> <p>Yours Faithfully</p> <p>Mary Kelly Business Consultant</p>	<p>[2]</p> <p>[2]</p> <p>[2]</p> <p>[2]</p> <p>[1]</p> <p>[4]</p> <p>[4]</p> <p>[4]</p> <p>[4]</p> <p>[4]</p> <p>[4]</p> <p>[2]</p> <p>[2]</p>				
	<p>English [4] Neatness/presentation [3]</p>	<p>(40)</p>				

Question 3 (continued)

(B)	In the spaces below, name which two of the following five documents are required when setting up a Private Limited Company:		
	STATEMENT OF ACCOUNT ARTICLES OF ASSOCIATION PROPOSAL FORM	MEMORANDUM OF ASSOCIATION QUOTATION	
	1.	ARTICLES OF ASSOCIATION	[4]
	2.	MEMORANDUM OF ASSOCIATION	[4]
			<i>(8)</i>

(C)	When they set up as a company, Tom and Sheila plan to purchase a van costing €24,000, a set of ladders costing €1,750, an industrial hoover costing €2,850 and a power hose costing €1,400. They have saved €10,000 in a bank account for these.		
	(i)	In order to purchase them, how much will they need to borrow?	
	Answer: €20,000	Workings: 24,000 + 1,750 + 2,850 + 1,400 = 30,000 30,000 – 10,000 = 20,000	[8]
	(ii)	If the bank grants them a loan at 8% per annum, calculate how much interest they will have to pay in the first year of the loan.	
	Answer: €1,600	Workings: 20,000 × 8/100 = 1,600	[4]
			<i>(12)</i>
<i>Q.3 Total</i>			(60)

A = 40

B = 8

C = 12

Question 4

(A)	The following terms are all associated with wages:				
	Statutory Deductions	Piece Rate	Commission	Benefit-in-kind	Time Rate
	Explain three of the above terms, using an example in each case.				3 × 6
	Statutory Deductions:	Amounts which, by law, must be taken from gross pay. Example: PAYE, PRSI and USC			
	Piece Rate:	Wages paid to employees at a rate per item produced. Example: A block layer might get €1 for each block laid.			
	Commission:	An extra payment or bonus to employees in addition to basic pay, usually based on a percentage of sales, to encourage them to sell more. Example: 2% of all sales over €5,000 each week.			
	Benefit-in-kind:	Wages/salaries paid or part-paid in non-monetary form. Example: Company car, subsidised meals.			
	Time Rate:	Payment of wages at a rate per hour. Example: The minimum legal rate is €9.25 per hour.			
					<i>(18)</i>

			Answer	Workings	
(B)	(i)	From the wage slip, calculate Mona Walsh's basic pay per hour.	€16.00	$544/34 = 16$	4
	(ii)	Calculate how much she earns for one hour's overtime.	€24.00	$16 \times 1.5 = 24$	3
	(iii)	Calculate the number of overtime hours she worked in Week 21.	7 hours	$168/24 = 7$	3
					<i>(10)</i>

(C) The following week, Mona worked for 42 hours. Her PAYE deduction was €94.86 and her PRSI deduction was 7% of her gross pay. There was no change in her Basic Pay or Cycle to Work Scheme deduction. Using this information, complete her wage slip for Week 22.

Employee No. 15	Mona Walsh		Week 22	Date:	2 June 2017	2
PAY:	€	DEDUCTIONS:		€	Fashion World Ltd	
BASIC	544.00	PAYE		94.86		2 + 2
OVERTIME	192.00	PRSI		51.52		4 + 4
		CYCLE TO WORK SCHEME		15.00		NET PAY
GROSS PAY	736.00	TOTAL DEDUCTIONS		161.38	€574.62	1 + 1 + 2
						<i>(20)</i>

(D)	Explain two rights and two responsibilities Mona has as an employee of Fashion World Ltd.		
	Rights:		
	<ul style="list-style-type: none"> To have safe working conditions. To receive a fair wage – at least the statutory minimum wage. To get annual holidays. To be treated equally with all other employees To have a chance of promotion. To join a trade union. 	2 × 3	
	Responsibilities:		
	<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 Fashion World Ltd. 	2 × 3	
			<i>(12)</i>
	Q.4 Total		(60)

A = 18
B = 10
C = 20
D = 12


Question 5

(B) Complete the Invoice:

Houseware Ltd					INVOICE No. 420
Nice View Estate, Mallow Co. Cork					
Telephone: 021-4831758			VAT Reg. No. IE6239745		
e-mail: houseware@gmail.com					
					2
Date: 26 March 2017					
Your Order No.: 230					1
Purchasing Manager Kitchens Ltd Main Street Nenagh Co. Tipperary					2
QUANTITY	DESCRIPTION	MODEL No.	PRICE EACH €	TOTAL €	
40	Microwave Ovens	MO255	55.00	2,200	5
80	Slow Cookers	SC413	25.00	2,000	5
60	Deep Fat Fryers	DF820	40.00	2,400	5
				Total (Excluding VAT)	2
				Trade Discount 30%	2
Carriage Paid				Subtotal	2
E & O E				VAT 20%	2
				Total (Including VAT)	2
					<i>(30)</i>

(A)	(ii) State one reason why an invoice is an important document	
Answer:	<ul style="list-style-type: none"> • Gives full details of vat charged and discount allowed. • Shows the amount due by the customer to the firm. • Gives full details of the goods in stock that will be delivered to customer. 	6

(B) Complete the cheque and counterfoil:

Date	26-03-2017	AIB Bank 93-26-52 Abbey Road, Nenagh, Co. Tipperary Date 26 March 2017 Pay Houseware Ltd or order Five thousand, five hundred and forty-four euro only €5,544.00 <hr/>  KITCHENS Ltd <i>Rita Murray</i> 74235 932652 38767592	
To	Houseware Ltd		
Balance	€ 35,500.00		
This Cheque	€ 5,544.00		2 + 2
New Balance	€29,956.00		
	74235		
	5		(15)

(C) Enter the cheque payment in the bank account of Kitchens Ltd:

Dr				Kitchens Ltd – Bank Account				Cr
2017	Details	F	€	2017	Details	F	€	
				March 26	Purchases	GL2	5,544	
				3	3		3	

OR

Kitchens Ltd – Bank Account						
Date	Details	F	Dr	Cr	Balance	
2017			€	€	€	
March 26	Purchases			5,544		
3	3			3	(9)	
					Q.5 Total	(60)

A = 36

B = 15

C = 9

Question 6

(A) **Analysed Receipts and Payments Account (Analysed Cash Book) of Play Pitch and Putt Club**

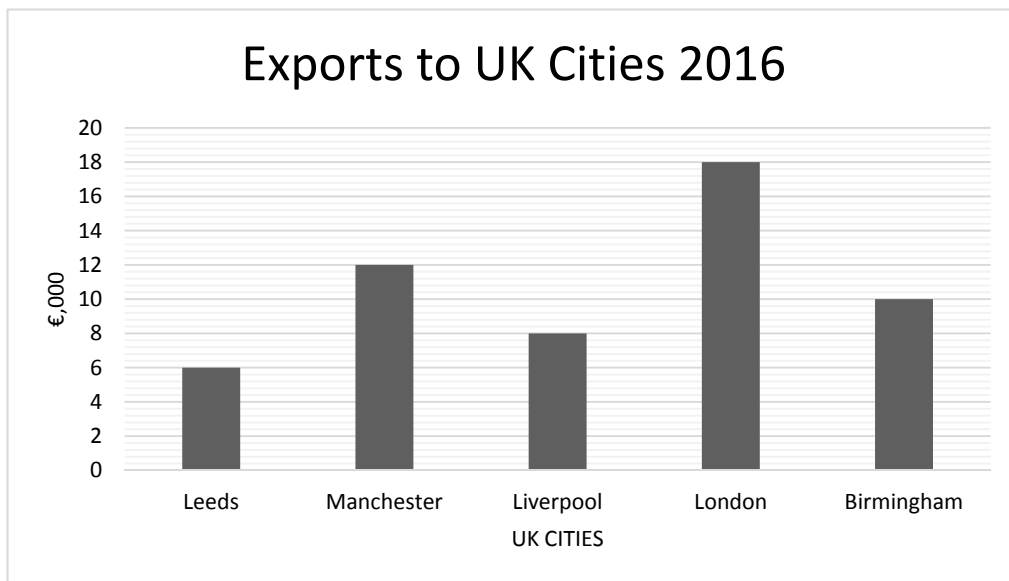
Dr							Cr							
Date	Details	Bank	Comp.	Raffle	Sponsors	M/ship. Fees	Date	Details	Cheque No.	Bank	Comp.	Raffle	Wages	Other
2017		€	€	€	€	€	2017			€	€	€	€	€
May 1	Balance	860					May 4	Comp Prizes	34	600	600			
2	M/ship. Fees	6,000				6,000	8	Raffle prizes	35	1,400		1,400		
5	Sponsorship	1,000			1,000		9	Posters	36	190		190		
7	Comp. Fees	825	825				12	Greenkeeper	37	1,150			1,150	
10	Raffle tickets	785		785			17	Repairs	38	400				400
16	M/ship. Fees	9,000				9,000	19	Trophies	39	650	650			
21	Comp. Fees	950	950				26	Greenkeeper	40	1,200			1,200	
23	Raffle tickets	925		925			31	Balance c/d		14,755				
		20,345	1,775	1,710	1,000	15,000				20,345	1,250	1,590	2,350	400
31	Balance b/d	14,755												
1	1	9	3	3	2	3	1	1	1	8	3	3	3	2
														(44)

(B)	Calculate the surplus or deficit that the club made during May on running a raffle.		
	Answer: €120 Surplus	Workings: 1,710 – 1,590 = 120	8
(C)	(i)	Explain the term 'sponsorship':	Answer: A business gives financial support to a club. 4
	(ii)	State one reason why Putter Ltd might sponsor Play Pitch and Putt Club:	4
		<ul style="list-style-type: none"> • To make the company's products better known among the members of the Pitch and Putt club. • To help sell more golf clubs. 	
Q.6 Total			(60)

A = 44, B = 8, C = 8

Question 7

(A) (i) Show the given figures in the form of a Bar Chart.



Title of Chart	1 mark	
Vertical Axis correctly labelled	1 mark	
Horizontal Axis correctly labelled	1 mark	
Bars	[2 + 1] × 5	15 marks
		(18)

(ii) Calculate the total exports of Agriproducts Ltd to the UK for the year 2016. Show your answer and workings	6
Answer: €54,000	Workings: $6 + 12 + 8 + 18 + 10 = 54$ $54 \times 1,000 = 54,000$

(iii) The UK uses sterling as its currency and is not in the eurozone. Apart from Ireland, name three countries that are in the eurozone.	6
Austria Belgium Cyprus Estonia Finland France Germany Greece Italy Latvia Lithuania Luxembourg Malta Netherlands Portugal Slovakia Slovenia Spain	
	(12)

(B)	(i) State two reasons why Ireland trades with other countries.	8
	<ul style="list-style-type: none"> • To obtain foreign currency (for necessary imports). • To create more employment in Ireland. • To buy goods that are not available in Ireland. • To sell goods surplus to home requirements. 	
	(ii) Name two types of goods other than food products which are exported from Ireland.	6
	<ul style="list-style-type: none"> • Medical appliances. • Computer hardware and software. • Clothing and textiles. • chemicals and pharmaceuticals. • Energy – electricity and gas. 	
	(iii) Explain two difficulties Agriproducts Ltd might face if they wish to export packed vegetables to Japan.	10
	<ul style="list-style-type: none"> • Transport costs – long distance. • Currency exchange rates. • Different language and culture – interpreters required. • Packaging in different language – extra cost. • Many documents and forms to be completed. 	
		(24)

(C)	John Kenny is sales manager in Agriproducts Ltd. He receives a bank draft of £1,790.46 (sterling) from a customer in Leeds. If the Rate of Exchange is €1 = £0.87, calculate the number of euro he would receive when he cashes the bank draft at his local bank. Show your answer and workings.	6		
	<table border="1"> <tr> <td>Answer: €2,058.00</td> <td>Workings: $1790.46/0.87 = 2058$</td> </tr> </table>	Answer: €2,058.00	Workings: $1790.46/0.87 = 2058$	
Answer: €2,058.00	Workings: $1790.46/0.87 = 2058$			
		(6)		
		Q.6 Total (60)		

A = 30

B = 24

C = 6

TOTAL = 60

Question 8

(A) Complete Frank Mooney's proposal form for motor insurance:

PROPOSAL FORM					
SHIELD INSURANCES LTD					
PROPOSAL FORM FOR MOTOR INSURANCE					
Surname	Mooney	First Name	Frank		2
Address	12 Riverstown Lane Kilkenny				1
Telephone	056 643421				1
Date of birth	13 August 1980				1
Occupation	Dentist				1
VEHICLE DETAILS					
Type of vehicle	Car	Current value	€18,000		2
Make and model	Nissan Pulsar	Registration number	141 KK 3940		2
INSURANCE DETAILS					
Type of insurance required	THIRD PARTY ONLY			<i>(Tick (✓) the correct box.)</i>	
	THIRD PARTY FIRE AND THEFT				
	COMPREHENSIVE		✓		1
Type of driving licence	PROVISIONAL LICENCE			<i>(Tick (✓) the correct box.)</i>	
	FULL LICENCE		✓		1
Insurance required from (date)	1 July 2017				1
Previous insurance company	Fast Quote Car Insurance Ltd				1
Number of years driving	15				1
Details of recent claim (if any)	Year:	2013	Amount claimed:	€4,500	2
Reason for Claim	A collision with a deer on a dark road.				1
Penalty Points (if any)	Number:	3	Reason:	Using my mobile phone while driving.	2
SIGNATURE	Frank Mooney		DATE	8 June 2017	2
					(22)

For use with SECTION B – Question 8 (continued)

(B)	(i) Using the information in the insurance quote, calculate the total net cost of insuring Frank Mooney’s house and contents. Show your answer and workings.								
	<table border="1"> <tr> <td rowspan="3">Answer: €1,430.60</td> <td colspan="2">Workings:</td> </tr> <tr> <td>Buildings: 290,000/10,000 = 29 29 × 35 = 1,015</td> <td>Contents: 60,000/1,000 = 60 60 × 9 = 540</td> </tr> <tr> <td colspan="2">1,015 + 540 = 1,555 1,555 × 8/100 = 124.40 1,555 – 124.40 = 1,430.60</td> </tr> </table>	Answer: €1,430.60	Workings:		Buildings: 290,000/10,000 = 29 29 × 35 = 1,015	Contents: 60,000/1,000 = 60 60 × 9 = 540	1,015 + 540 = 1,555 1,555 × 8/100 = 124.40 1,555 – 124.40 = 1,430.60		15
Answer: €1,430.60	Workings:								
	Buildings: 290,000/10,000 = 29 29 × 35 = 1,015		Contents: 60,000/1,000 = 60 60 × 9 = 540						
	1,015 + 540 = 1,555 1,555 × 8/100 = 124.40 1,555 – 124.40 = 1,430.60								
	(ii) Name the title of the insurance person who calculates the premium								
	Answer: Actuary	3							
	(iii) Complete the Receipt:								

Receipt No. 612		
Asset Insurances Ltd		
Main Street, Kilkenny	Telephone: 056 672986	
Date: 8 June 2017		2
Received from: Frank Mooney		2
The Sum of: One thousand, four hundred and thirty euro	€1,430.60	2
and sixty cents.		2
Method of payment: Visa Debit card		2
With Thanks Signed: <i>Michelle White</i> (Cashier)		2
		(30)

(C)	In each space provided below, write the correct term for each explanation from the following list: <p align="center">COMPENSATION POLICY ASSESSOR RISK INDEMNITY</p> <i>(One of the terms above does not refer to any of the explanations below.)</i>																			
	<table border="1"> <thead> <tr> <th align="center" colspan="2">EXPLANATION</th> <th align="center">TERM</th> </tr> </thead> <tbody> <tr> <td align="center">(i)</td> <td>It contains details of the insurance contract.</td> <td align="center">POLICY</td> </tr> <tr> <td align="center">(ii)</td> <td>The likelihood of a loss occurring.</td> <td align="center">RISK</td> </tr> <tr> <td align="center">(iii)</td> <td>A person cannot make a profit from insurance.</td> <td align="center">INDEMNITY</td> </tr> <tr> <td align="center">(iv)</td> <td>The money paid out when a claim is made.</td> <td align="center">COMPENSATION</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>	EXPLANATION		TERM	(i)	It contains details of the insurance contract.	POLICY	(ii)	The likelihood of a loss occurring.	RISK	(iii)	A person cannot make a profit from insurance.	INDEMNITY	(iv)	The money paid out when a claim is made.	COMPENSATION				
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(iv)	The money paid out when a claim is made.	COMPENSATION																		
		(8)																		
A = 22, B = 30, C = 8		Q.8 Total (60)																		