

Leaving Certificate Examination 1999

Business - Higher Level
(400 MARKS)

25005

WEDNESDAY, 16 JUNE, MORNING, 9.30 - 12.30 p.m.

Answer

- (A) Eight questions from Section 1
- (B) The Applied Business Question from Section 2 and
- (C) Four questions from Section 3 as follows:

One question from Part 1

Two questions from Part 2

And one other question from either Part 1 or Part 2

All questions carry equal marks.

WARNING

You must return Section 1 with your answer book,
otherwise marks will be lost.

Please note allocation of marks per question
Calculators may be used

Write you examination number here

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Leaving Certificate Examination 1999

Business - Higher Level

SECTION 1

(80 marks)

This section is compulsory. Answer eight questions. Each Question carries 10 marks. Please enclose this section in your answer book.

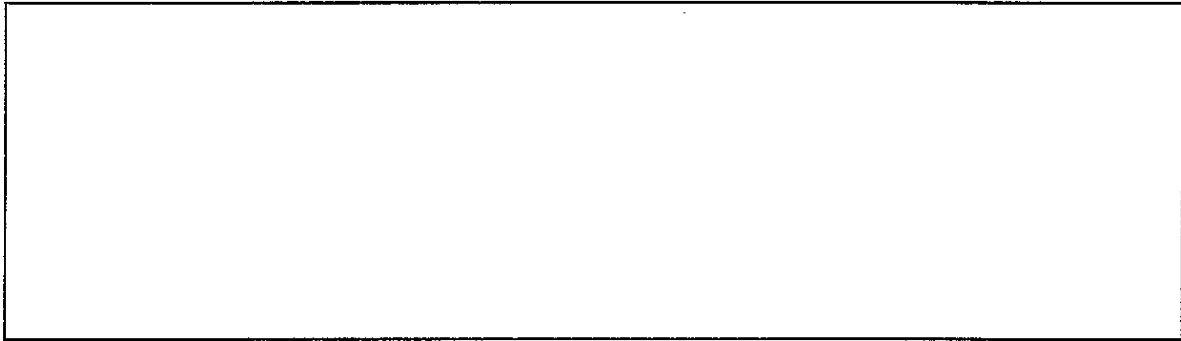
1. Illustrate your understanding of the term 'Intrapreneur'.

2. Draft a **memorandum** (memo), using an appropriate format, to all department managers changing the notice for the monthly managers' meeting:

3. What is Video-conferencing?

4. Name one type of Organisation Structure:

Draw a chart of that structure:



5. Which type of management control do you feel is the most important?

Explain your choice.

6. Outline three areas of responsibility of a Human Resource Manager.

(i)

(ii)

(iii)

7. Total Quality Management (TQM) helps business because it:

8. Define the term 'Feasibility Study'.

9. List two short term and three long term sources of finance suitable for a new business enterprise.

- (i) _____
- (ii) _____
- (iii) _____
- (iv) _____
- (v) _____

10. What is a Transnational Company?

Name two Transnational companies.

- (i) _____
- (ii) _____

[80 marks]

PLEASE REMEMBER TO RETURN THIS SECTION WITH YOUR ANSWERBOOK.

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SECTION 2
(80 marks)

25238

This is a compulsory question.

Applied Business Question.

B and M Solutions Ltd.

Barry and Marian had long thought about setting up their own business. Both were ambitious, were well educated and had worked successfully for large computer companies. They were aware of the challenges to be met, but felt that they had lots of fresh ideas that they were not afraid to try out. They made the decision to set up 'B and M Solutions', providing small businesses with specially designed computer systems and training of personnel. They planned things out well at the start, organised the tasks between them and sought help from state agencies when needed.

The business has grown quickly. It placed advertisements for its services in trade magazines which proved worthwhile, but sometimes, left out important information so that it would get the contracts. Some of B and M's customers are not happy however with what they see as a lack of after sales service as promised in the advertisements.

Both owners work hard but seem to be always rushing. Marian complains of B and M having no vision for the business in the future. Their employees are generally excellent but at present there is constant pressure on staff to meet deadlines by working long hours. The business does not seem to be able to keep good staff for long. Barry has taken to issuing orders to employees recently. He even dismissed one staff member because she requested a day off from work to attend the doctor in connection with her pregnancy. Marian feels his behaviour is not good for the business.

- (A) Outline the enterprise skills employed by Barry and Marian in the above situation. (20 marks)
- (B) Draft a short report for the Board of Directors explaining the legislative methods that could be used to solve the conflicts in the business. (20 marks)
- (C) Evaluate how the couple might succeed better in the business if they improved their management skills. Support your answer with reference to the above text. (40 marks)

[80 marks]

SECTION 3

Answer Four questions from Section 3 as follows:

One question from Part 1, two questions from Part 2 and One other question from either Part 1 or Part 2. All questions carry equal marks.

Part 1 People in Business / Business Environment

People in Business

Question 1

Good relationships which help in resolving situations of conflict between the people involved in business are most important.

- (A) Explain the relationship between producers and interest groups in business. (15 marks)
 - (B) Demonstrate how the remedies for breach of contract can help solve conflicts between contractual parties. (20 marks)
 - (C) Evaluate the role of the Labour Relations Commission under the Industrial Relations Act 1990. (25 marks)
- [60 marks]**

Domestic / International Environment

Question 2

- (A) Contrast a Business Alliance with a Franchise as forms of Business Organisation. Use examples in your answer. (20 marks)
 - (B) Illustrate how socially responsible business practice is good for a business enterprise. (15 marks)
 - (C) Analyse how the economic variables (factors) in the Irish economy have an impact on business. (25 marks)
- [60 marks]**

Domestic / International Environment

Question 3

Because Ireland is an open economy, the international trading environment has a huge influence on Irish Business.

- (A) Evaluate the opportunities and challenges for Irish Business as a result of engaging in international trade. (30 marks)
 - (B) Explain the importance for Ireland of:
 - (i) any one of the policies of the European Union
 - (ii) any one of the institutions of the European Union. (30 marks)
- [60 marks]**

SECTION 3

Part 2 Enterprise

Managing

Question 4

- (A) Using a fictitious name and address draft a letter to the Human Resource Manager of a business, setting out four characteristics of managers to be looked for when interviewing candidates for management positions. **(20 marks)**
- (B) Discuss the main factors to be considered when deciding on the most effective methods of communications in business. **(20 marks)**
- (C) "*Planning is the most important management activity.*"

Do you agree with this statement? Support your opinion with reasons and examples.

(20 marks)

[60 marks]

Managing / Business in Action

Question 5

- (A) Outline the activities that are common and the activities that are different in managing a business and in managing a household. **(20 marks)**
- (B) '*Watertight Ltd.*' is a family run plumbing and central heating business. It has a parts outlet that sells to the public and to the trade. It employs three qualified plumbers who work throughout the area using the enterprise's vans.

Describe the various types of taxes *and* types of insurance which you would expect '*Watertight Ltd.*' to be familiar with. Give reasons for your choice. **(20 marks)**

- (C) Business Cash Flow Forecast of Ton Ltd.

	January	February	March	Total
Receipts	40,000	50,000	55,000	145,000
Payments	38,000	53,000	57,500	148,500
Net Cash	2,000	(3,000)	(2,500)	(3,500)
Opening Cash	2,500	4,500	1,500	2,500
Closing Cash	4,500	1,500	(1,000)	(1,000)

- (i) Explain why a business would prepare a Cash Flow Forecast.
- (ii) In which month(s) has the above business got a problem? Outline possible reasons why.
- (iii) Suggest two things which the business can do to help solve the problems.

(20 marks)

[60 marks]

Managing

Question 6

- (A) Illustrate the usefulness of the Debt/Equity ratio in helping a manager to monitor the financial performance of a business. (20 marks)
- (B) Analyse the profitability and liquidity trends in Gracey and Co. Ltd., from the following figures for 1997 and 1998.

	1998	1997
Current Liabilities	£ 9,400	£ 8,200
Closing Stock	£ 8,200	£ 10,100
Equity Share Capital	£ 85,000	£ 85,000
Gross Profit	£ 58,250	£ 42,560
Retained Earnings	£ 17,100	£ 16,450
Current Assets	£ 13,500	£ 15,450
Net Profit	£ 13,500	£ 13,255
Sales	£141,500	£121,500

(40 marks)

[60 marks]

Business in Action

Question 7

The marketing function of an organisation is said to be the cement that holds all its parts together. It secures the organisation's future.

- (A) Outline the stages involved in the development process of a new product or service. (20 marks)
- (B) Explain the advantages for a business enterprise of adopting the marketing concept. (10 marks)
- (C) Evaluate the elements of the marketing mix using a product or service of your choice. (30 marks)

[60 marks]