

WARNING

This Question Paper MUST be returned with your answerbook(s) at the end of the examination: otherwise marks will be lost.

Write your
Examination
Number here

AN ROINN OIDEACHAIS AGUS EOLAÍOCHTA

LEAVING CERTIFICATE EXAMINATION, 2002

Business – Higher Level
(400 MARKS)

WEDNESDAY 12TH JUNE – MORNING, 9.30 am to 12.00 noon

ANSWER

- (A) **Eight questions from Section 1 AND**
- (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.

Q.	Mark
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
Total	

**Please note allocation of marks per question.
Calculators may be used.**

Remember to return this examination paper with the answerbook(s) you use for answering Sections 2 and 3.

Leaving Certificate Examination 2002

Business – Higher Level

SECTION 1 – SHORT ANSWER QUESTIONS

(80 marks)

This section is compulsory. Answer eight questions. Each Question carries 10 marks. Please return this Examination Paper with your answerbook(s).

1. What is arbitration?

2. Name and give an example of each of the three types of industry:

3. Distinguish between ‘Gross Profit’ and ‘Gross Pay.’

(i) _____

(ii) _____

4. Draft a typical Span of Control for an organisation of your choice.

5. Complete this sentence: E.D.I. helps a business to:

6. Column 1 is a list of Business terms. Column 2 is a list of possible explanations for the terms. Match the two lists by placing the letter of the correct explanation beside the relevant number below. One explanation has no match.

Column 1: Terms	Column 2: Explanations
1. Enterprise	(a) A system of continuous quality improvement for all levels in an organisation.
2. Empowerment	(b) That part of the issued shares of a company held by those who take the greatest risk and are therefore entitled to the profits.
3. Electronic Mail	(c) The sending of written messages through an Information and Communications Technology network cheaply.
4. Equity Capital	(d) The ability to seek out opportunities of all sorts combined with the willingness to accept risk in order to exploit them.
5. Exchange Rate	(e) Placing decision making, control and responsibility in the hands of employees in an organisation.
	(f) The price of a currency in one country in terms of the price of the currency in another county.

1		2		3		4		5	
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7. What do the following letters stand for? Write each answer in full in the space provided.

CAP _____

PLC _____

EU _____

ROI _____

PRO _____

8. Illustrate your understanding of the term 'Performance Appraisal'.

9. Define Deregulation:

10. Using an appropriate format, draft a memorandum (memo) to all Directors setting out the notice for the A.G.M. of a Private Limited Company.

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SECTION 2 **(80 Marks)**

This is a compulsory question.

Applied Business Question.

Inell Ltd.

The Inell brand is well established and regarded in agricultural circles as the brand of quality when it comes to farm machinery. The growth of the business in Ireland had been good in the twenty years since its foundation by the Murphy brothers, Michael and Patrick. They both had surrounded themselves with the best technically qualified and enterprising employees they could find at every stage of the development of the business. They believed in the empowerment of their employees and giving them the chance to prove themselves at every opportunity.

Several suggestions have been put forward at the monthly management meetings over recent times about the expansion of the business. Expansion, not only on the home market but also into European and world markets, with new and adapted older products has been discussed. Michael feels that the risks are too high and that losses may result but Patrick feels that, for the business to survive into the future, it must grow in the long term.

The technology in two of the three manufacturing plants located in Ireland is getting old and will, in the very near future, be in need of complete modernisation. It is not up to present day environmental standards. There have been some minor accidents in the plants resulting in criticisms of the company on its care of the environment being published in newspapers. Both the founding members recognise that they have responsibilities not only to their shareholders and employees but also to their customers and to society in general.

- (A) Analyse the importance of good employer/employee relationships in the running of companies such as Inell Limited. Refer to the central role of the Human Resource department in the process. (30 marks)
- (B) Discuss two strategies that Inell Ltd. could use to successfully expand the business. Make relevant assumptions that you feel may be necessary, given the details above. (30 marks)
- (C) Using appropriate headings to guide your thinking, describe how Inell Ltd. could become a more socially responsible business. Refer to the above text in your response. (20 marks)

(80 marks)

SECTION 3

(240 Marks)

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

- (A) Outline the role of any two parties involved in business. (10 marks)
- (B) Describe, using examples, one co-operative and one competitive relationship that may exist either between or within organisations. (20 marks)
- (C) Evaluate how, under the terms of the Industrial Relations Act 1990, the
- Labour Relations Commission and
 - Labour Court deal with Industrial Relations conflict. (30 marks)
- (60 marks)

Domestic/International Environment

Question 2

Business activities do not operate in a vacuum. It is important to understand the interaction between the various types of business organisations with the local community and the role of the government and society.

- (A) Contrast the importance of transnational and state owned companies as forms of business organisation in Ireland. (30 marks)
- (B) (i) Define Ethical Business practice. (Business Ethics)
- (ii) Explain, using an example where appropriate, the impact that business activity has in the development of the Irish economy. (30 marks)
- (60 marks)

Question 3

It is widely accepted that modern Ireland, being an open economy, is greatly influenced by, and dependent upon, the international trading environment. Irish business has learned a lot by studying and adapting to the changing nature of the international economy and the effects that it has on Irish business.

- (A)** Evaluate the significance of international trade for the Irish Economy.
Include in your answer the opportunities and challenges for Irish Business as a result of engaging in international trade. (40 marks)
- (B)** Explain the role of global marketing of products and services in international business.
Illustrate your explanation with relevant examples. (20 marks)
- (60 marks)**

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SECTION 3

Part 2

Enterprise

Managing

Question 4

- (A) Draft a Report to the Managing Director of a limited company explaining the four main barriers to effective communications in the business. State relevant assumptions where necessary. (20 marks)
- (B) Illustrate the importance of management skills in any one of the following areas:
- (i) The home
 - (ii) The local community
 - (iii) Government Department
 - (iv) A Business start up. (20 marks)
- (C) “*Organising is the most important management activity.*” Do you agree with this statement? Support your opinion with two reasons and examples. (20 marks)
(60 marks)

Managing

Question 5

- (A) Outline two activities that are common **and** two activities that are different when managing a business as opposed to managing a household. (20 marks)
- (B) Explain three important principles of Insurance. (20 marks)
- (C) The Business Cash Flow Forecast of Irish Garden Furniture Ltd. is set out below:

	July	August	September	Total
	€	€	€	€
Receipts	16,000	15,750	14,850	46,600
Payments	28,000	13,000	24,500	65,500
Net Cash	(12,000)	2,750	(9,650)	(18,900)
Opening Cash	8,500	(3,500)	(750)	8,500
Closing Cash	(3,500)	(750)	(10,400)	(10,400)

- (i) Outline two reasons why Irish Garden Furniture Ltd. prepared the above Cash Flow Forecast.
- (ii) Analyse the Cash Flow Forecast. Explain, and offer solutions to, any two problems you think the business may have. (20 marks)

(60 marks)

Business in Action

Question 6

Michael Kelly is twenty nine years old and is a graduate with an engineering degree. He has been working in the area of Research and Development in a large transnational company since graduation. He has a desire to work for himself and feels that the time is right to form his own business in his home town producing electronic parts for domestic appliances. He has asked you to help him in writing his business plan.

- (A) Explain the importance of a Business Plan. (20 marks)
- (B) Draft a Business Plan for Michael Kelly's venture under five main headings. State relevant assumptions where necessary. (40 marks)
- (60 marks)**

Business in Action

Question 7

- (A) The carrying out of market research is a vital element in a marketing strategy. Illustrate how successful market research can be achieved through
- (i) Field studies
- (ii) Desk research. (20 marks)
- (B) Outline reasons why a marketing department would engage in market segmentation. (10 marks)
- (C) Evaluate three promotional methods for a product or service of your choice. (30 marks)
- (60 marks)**

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