

LEAVING CERTIFICATE EXAMINATION, 1997

BUSINESS ORGANISATION - ORDINARY LEVEL

(400 marks)

TUESDAY 17 JUNE - AFTERNOON - 2.00 - 4.30 p.m.

Only five questions to be attempted

Please note the allocation of marks per question

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1. (a) What is meant when a business person describes people as (i) Trade Debtors and (ii) Trade Creditors? (20 marks)
- (b) If the current assets of a business are IR£60,000, its current liabilities are IR£24,000 and the stock is valued at IR£35,000 calculate:
 (i) The working capital ratio and
 (ii) The Liquidity ratio.
 Why is the calculation of the working capital of an enterprise so important? (40 marks)
- (c) Name two long term sources of finance suitable for the purchase of a new business premises.
 Give two advantages of either source. (25 marks)
 [85 marks]
2. (a) List six taxes that are in operation in Ireland. (30 marks)
- (b) Explain the basic canons (or principles) of taxation. (30 marks)
- (c) What is (i) a benefit in kind and (ii) a tax free allowance? (25 marks)
 [85 marks]
3. (a) John and Mary run a small corner shop. Two weeks ago they had an accidental fire which caused a partial loss to the premises of £10,000. The present value of the premises is reckoned to be £50,000 but the couple had "saved money" on the premium last year by insuring the premises for only £40,000.
 (i) From your knowledge of insurance calculate the amount of compensation John and Mary can expect to receive from the Insurance company.
 (ii) Explain the principle of insurance that applies to the above case. (40 marks)
- (b) Write notes on three of the following:-
 Surrender Value,
 Insurance proposal form,
 Actuary,
 Insurance Agent. (45 marks)
 [85 marks]
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4. (a) Describe the difficulties that face Irish Businesses who wish to sell their products in foreign markets. (30 marks)
- (b) Explain what is meant by:
 (I) The Single European Market. (SEM),
 (II) Balance of Payments,
 (III) The Common Agricultural Policy (CAP). (45 marks)
 [75 marks]
5. (a) How might an employer encourage good industrial relations in a business enterprise? (25 marks)
- (b) The shop steward of T.R. March and Co. Ltd. held a ballot of employees concerning the redundancy dispute. The result was a clear cut vote in favour of a strike so she gave the company notice that an official picket would be in place soon. Explain the terms underlined. (45 marks)
 [70 marks]
6. (a) Set out the barriers to effective communication in a business enterprise. (35 marks)
- (b) With regard to meetings, what do the following terms mean?
 Minutes; Quorum; Standing Orders. (35 marks)
 [70 marks]
7. Explain four of the following terms:
 (a) Breach of Contract,
 (b) Agribusiness,
 (c) Teagasc,
 (d) Plastic money,
 (e) Merchandising,
 (f) Forbairt,
 (g) Business merger. [70 marks]
8. (a) What are the advantages of setting up a business enterprise as a Limited Liability Company? (40 marks)
- (b) Write notes on two of the following terms, which are associated with Joint Stock Companies.
 Ordinary Shares,
 Subsidiary company,
 Dividends,
 Articles of Association. (30 marks)
 [70 marks]
9. In the area of marketing and advertising terms like **Marketing Mix, Brand name, Market Research, Product Life Cycle, Sales Promotion and Informative Advertising** are used often. Write brief explanatory notes on all of them. [70 marks]