

LEAVING CERTIFICATE EXAMINATION, 1998

BUSINESS ORGANISATION - ORDINARY LEVEL
(400 marks)

TUESDAY, 16 JUNE - AFTERNOON 2.00 pm - 4.30 pm.

Only five questions to be attempted

Please note the allocation of marks per question

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1. (a) Describe the three main production processes commonly used by industry. (30 marks)
- (b) Explain the differences between the Construction, Manufacturing and Service industries. (30 marks)
- (c) Suggest where an industrialist would locate:
 (i) A chemical factory
 (ii) A meat processing plant.
 Give one reason to support your choice in each case. (25 marks)
 [85 marks]
2. (a) Shartex and Co. Ltd. require £100,000 to extend the firm's factory. Set out, under five headings, the contents of the loan application that the Company would make to the bank. (40 marks)
- (b) Explain three factors that are important to consider before investing cash in a financial institution. (30 marks)
- (c) What are the main advantages of using Hire Purchase as a source of finance? (15 marks)
 [85 marks]
3. (a) What is Franchising? Give two examples of Franchising in Ireland. (25 marks)
- (b) Draw a simple diagram to illustrate the various channels of distribution. Label the diagram clearly. (25 marks)
- (c) Describe the main factors considered by a business person before choosing a method of transport for the distribution of goods. (35 marks)
 [85 marks]

4. (a) Name four public limited companies whose shares are quoted on the Irish Stock Exchange. (20 marks)
- (b) What are the benefits to a company of having a Stock Exchange quotation? (30 marks)
- (c) Explain three of the following stock exchange terms:
 Dividend,
 Gilt Edged securities,
 Speculator,
 Stock Broker. (25 marks)
 [75 marks]
5. (a) Describe the advantages to a business of using
 (i) verbal,
 (ii) written methods of communications. (30 marks)
- (b) Outline what is meant by Electronic Mail (E mail), Fax Machine, Notice of AGM and Proxy Vote. (45 marks)
 [75 marks]
6. (a) Explain the functions of the Board of Directors of a company. (30 marks)
- (b) Write brief explanatory notes on the following:
 Human Resource Management (HRM),
 Delegation of Authority,
 Research and Development (R and D).
 Reckless Trading. (40 marks)
 [70 marks]
7. Explain four of the following terms:
 (i) Liquidity,
 (ii) Indemnity,
 (iii) Tax Allowance,
 (iv) Ombudsman,
 (v) Limited Liability,
 (vi) Rights Commissioner. [70 marks]
8. Set out the advantages of organising and running a business enterprise as:
 (i) A Sole Trader,
 (ii) A Partnership,
 (iii) A Private Limited Company. [70 marks]
9. (a) Why does the state get involved in business through state enterprises? (35 marks)
- (b) Name five state owned enterprises that operate in Ireland. Outline the main activities of any one of them. (35 marks)
 [70 marks]