

WARNING

This question paper **MUST** be returned with your answer book at the end of the examination, otherwise marks will be lost.

Write your Examination Number here: 



Coimisiún na Scrúduithe Stáit State Examinations Commission

LEAVING CERTIFICATE EXAMINATION, 2008

BUSINESS - ORDINARY LEVEL (400 marks)

TUESDAY, 10 JUNE – AFTERNOON 2.00 p.m. to 4.30 p.m.

ANSWER

(A) Ten questions from SECTION 1

AND

(B) Four questions from SECTION 2 as follows:

**One question from Part 1 and
Two questions from Part 2 and
One other question from either Part 1 or Part 2.**

All questions carry equal marks.

Calculators may be used.

Make and Model of Calculator Used:

Q.	Mark
1	
2	
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15	
Total	

**REMEMBER TO RETURN THIS QUESTION PAPER WITH THE ANSWER BOOK
YOU USE FOR ANSWERING SECTION 2**

SECTION 1

(100 marks)

SHORT ANSWER QUESTIONS

Answer 10 questions. Each question carries 10 marks. Please return this question paper with your answer book.

1. What do the following letters stand for? (Write each answer in the space provided.)

PLC	
AGM	
R & D	
MD	

2. List **three** elements of a valid contract.

- (i) _____
- (ii) _____
- (iii) _____

3. Outline **two** characteristics/skills of an entrepreneur.

- (i) _____
- _____
- (ii) _____
- _____

4. Distinguish between Gross Pay and Net Pay.

Gross Pay: _____

Net Pay: _____

5. Draw a line graph to illustrate the following information for O'Malley Furniture Ltd.

Year	2003	2004	2005	2006	2007
Wage costs €	150,000	160,000	180,000	200,000	190,000



6. Outline **two** reasons why goods are imported into Ireland and give **two** examples of such imports.

Reason 1: _____

Reason 2: _____

Examples: 1. _____

2. _____

7. Explain the term 'target market' and give **one** example to illustrate your answer.

Example: _____

8. Write TRUE or FALSE after each of these sentences:

Sentence		True or False
1.	A strategic plan is a short term plan.	
2.	Conducting a survey in the marketplace is an example of Field Research.	
3.	The Balance Sheet is a statement of assets and liabilities.	
4.	A Curriculum Vitae is a document used for loan applications.	
5.	Prototype Development involves making a mock-up or first sample of a product.	

9. People whose personal information is kept on a computer have rights under the Data Protection Act 1988.

Outline **two** of these rights.

(i) _____

(ii) _____

10. Explain the term 'induction training':

11. Outline **one** social responsibility of a business to **each** of the following stakeholders.

(i) Local Community: _____

(ii) Suppliers: _____

12. What is a SWOT analysis?

13. Name **one** state-owned enterprise/state agency involved in each of the following areas.

	Name of state-owned enterprise/state agency
(i) Production	
(ii) Transport	
(iii) Training	
(iv) Marketing	

14. Explain the term 'global marketing':

15. Outline **two** benefits of teamwork to an organisation.

(i) _____

(ii) _____

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SECTION 2

(300 marks)

Answer **four** questions from SECTION 2 as follows:

One question from Part 1 and

Two questions from Part 2 and

One other question from either Part 1 or Part 2.

PART 1

PEOPLE IN BUSINESS

QUESTION 1

Study the information supplied and answer the questions which follow:

Martina bought a pair of boots costing €100 from Reilly's Footwear Ltd. After one week the heel came off one of the boots. She returned to the shop with the receipt but they refused to take the boots back.

Martina is considering taking her case to the Small Claims Court.

- (A) (i) Name the law that protects Martina in this case. (10 marks)
- (ii) Explain Martina's legal rights **and** the duties of Reilly's Footwear Ltd. (20 marks)
- (iii) Explain **two** advantages to Martina of taking her case to the Small Claims Court. (10 marks)

A Trade Dispute can be explained as a dispute between an employer and the employees.

- (B) (i) Outline **three** reasons/causes of trade disputes. (20 marks)
- (ii) Describe any **two** functions of a Trade Union. (15 marks)
- (75 marks)

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DOMESTIC ENVIRONMENT

QUESTION 2

Study the information supplied and answer the questions which follow:

The secondary sector of the economy includes the manufacturing and construction industries.

- (A) Outline **three** benefits that the growth in the construction industry in recent years has brought to the Irish economy. (15 marks)
- (B) Explain **two** challenges faced by manufacturing industries in Ireland. (15 marks)
- (C) (i) What is a Credit Union?
(ii) Briefly explain **two** services of a Credit Union to its members. (20 marks)
- (D) (i) Explain what is meant by the term 'partnership'.
(ii) Give **three** advantages of a partnership as a type of business organisation. (25 marks)
- (75 marks)**

DOMESTIC / INTERNATIONAL ENVIRONMENT

QUESTION 3

Study the information supplied and answer the questions which follow:

Ireland has been a member of the EU since 1973. EU membership has had a significant effect on Irish economic growth and development

- (A) Outline **three** advantages to Irish business of European Union membership. (15 marks)
- (B) (i) Name **two** EU institutions.
(ii) Explain the role of **one** of them. (20 marks)
- (C) Outline **two** effects of rising unemployment on the Irish economy. (20 marks)
- (D) Outline, using examples, **two** ways in which Information Technology helps Irish firms involved in international trade. (20 marks)
- (75 marks)**

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PART 2

MANAGING

QUESTION 4

Study the information supplied and answer the questions which follow:

It is important that a business identifies, assesses and tries to reduce risks before taking out insurance.

- (A) Outline **four** different types of insurance policies you would expect a factory to have. (20 marks)
- (B) Outline **three** ways in which a manager can reduce risks in a factory. (20 marks)
- (C) Name and explain the functions of **two** documents commonly used in insurance. (15 marks)
- (D) Explain the following **three** principles of insurance.
Give **one** example in each case to illustrate your answer.
- (i) Insurable Interest
 - (ii) Utmost Good Faith
 - (iii) Indemnity. (20 marks)
- (75 marks)**

ENTERPRISE / MANAGING / BUSINESS IN ACTION

QUESTION 5

Study the information supplied and answer the questions which follow:

Sinéad has been working for a number of years in a busy department store in Dublin, a distance of 50 kilometres from her home.

Sinéad would like to set up a business in her home town and has employed a consultant to advise her on matters relating to finance, taxation and the recruitment and selection of employees.

- (A) Identify **two** risks and **two** rewards for Sinéad if she sets up her own business. (20 marks)
- (B) Outline **three** sources of new business ideas for Sinéad. (15 marks)
- (C) Outline **three** methods Sinéad could use to recruit employees for her business. (15 marks)
- (D) Name **two** taxes Sinéad would expect to pay. (10 marks)
- (E) Name **two** long term sources of finance Sinéad could use to start her business and explain **one** of them. (15 marks)
- (75 marks)**

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MANAGING

QUESTION 6

Study the information supplied and answer the questions which follow:

*A vacancy has arisen in LMN Ltd for the position of Office Manager.
John Muldoon is the Human Resource Manager and he wants to fill this position internally.*

- (A) Draft, using today's date, a Memorandum (memo) from John Muldoon to all staff reminding them that the closing date for job applications is the 20th June, 2008. (15 marks)
- (B) Apart from memos, name **three** other methods of internal communication. (15 marks)
- (C) Identify and explain **three** factors that affect the choice of methods of communication in business. (20 marks)
- (D) Outline **two** advantages for LMN Ltd of recruiting internally. (10 marks)
- (E) Explain the following terms:
(i) Stock Control.
(ii) Financial Control. (15 marks)
- (75 marks)**

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MANAGING

QUESTION 7

Answer all parts of this question:

- (A) Outline **three** items of information that a bank manager would require when considering an application for a business loan. (15 marks)
- (B) Explain **two** reasons why a business would prepare a cash flow forecast. (10 marks)
- (C) Explain the term 'bank overdraft'. (10 marks)
- (D) The following information is extracted from the accounts of Sweeney Sports Ltd.

BALANCE SHEET (Extract) as on 31 December		
	2007	2006
	€	€
Current Assets	300,000	290,000
Current Liabilities	200,000	145,000

- (i) Identify **two** items that could be included under the 'Current Assets' section of the Balance Sheet of Sweeney Sports Ltd. (15 marks)
- (ii) Calculate the **Working Capital Ratio** for 2006 and 2007 and comment on the trend. (Show the formula and all your workings.) (25 marks)
- (75 marks)**

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BUSINESS IN ACTION

QUESTION 8

Study the information supplied and answer the questions which follow:

Promotion by a business is necessary to bring its products to the market's attention and to encourage consumers to purchase.

- (A) Promotion is one of the four elements of the Marketing Mix.
Name the other **three** elements and explain **one** of them. (20 marks)
- (B) (i) List **three** methods (media) of advertising and give an advantage of **each** one. (15 marks)
(ii) Outline **three** functions of advertising. (15 marks)
- (C) Draft and label a Product Life Cycle diagram. (15 marks)
- (D) Outline **two** examples of Public Relations (PR) methods used by business. (10 marks)
- (75 marks)**

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