



Coimisiún na Scrúduithe Stáit
State Examinations Commission

Junior Cycle Final Examination 2019

Business Studies

Common Level

Tuesday 11 June Morning 9.30 – 11.30

270 marks

Examination number				

Centre stamp



Instructions

There are **two** sections in this paper.

Section A	90 marks	15 Questions
Section B	180 marks	3 Questions

Answer all questions.

Write your answers in blue or black pen. You may use pencil for graphs and diagrams only.

Write your answers in the spaces provided in this booklet.

This examination booklet will be scanned and your work will be presented to an examiner on screen. Anything that you write outside of the answer areas may not be seen by the examiner.

There is extra space at the end of Section B.

Calculators may be used.

Write the make and model of your calculator here:

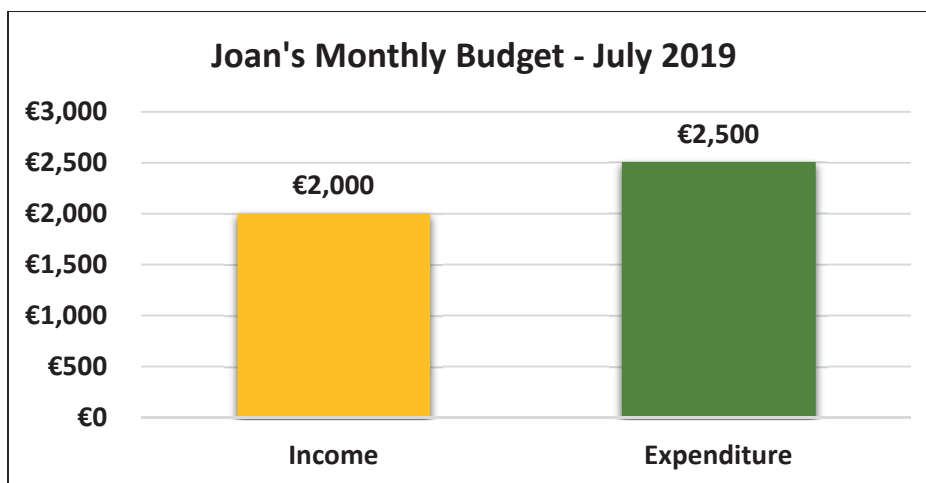


Answer all questions.

All questions carry equal marks.

Question 1

The graph below shows Joan Murphy's monthly budget:



- (i) Calculate the difference between Joan's income and expenditure. State if it is a surplus/deficit.

€

- (ii) What advice would you give Joan based on your answer?

Question 2

Answer true or false to each of the following statements about globalisation by placing a tick (✓) in the correct box.

- | | True | False |
|---|--------------------------|--------------------------|
| (i) Companies have access to bigger markets. | <input type="checkbox"/> | <input type="checkbox"/> |
| (ii) Consumers have less choice. | <input type="checkbox"/> | <input type="checkbox"/> |
| (iii) Increased trade leads to increased pollution. | <input type="checkbox"/> | <input type="checkbox"/> |

Question 3

Suggest a suitable source of finance to make the following consumer purchases.

Purchases	Source of Finance
House	
Car	
Groceries	

Question 4

Gerard is 21 years of age and has recently passed his driving test. He has now purchased an old car and needs to insure it.

Outline **two** factors that the insurance company will take into account when calculating the cost of Gerard's car insurance.

1.
2.

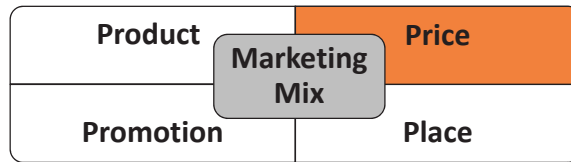
Question 5

Using the information given on the invoice extract below, complete the blank boxes.

	€
Total (excluding VAT)	25,000
Trade discount (12%)	
Subtotal	
VAT (23%)	
Total (including VAT)	



Question 6



Explain **two** factors that a business should consider when deciding on the selling price for a product.

1.
2.

Question 7

Indicate whether the organisations listed below are a financial enterprise or a social enterprise by placing a tick (✓) in the correct box:

	Financial	Social
Intel Ireland		
Focus Ireland		
Bank of Ireland		

Question 8

Identify **two** benefits of membership of the European Union for Ireland.

1.
2.



Question 9

The figures for Ireland's exports and imports of goods are shown below.



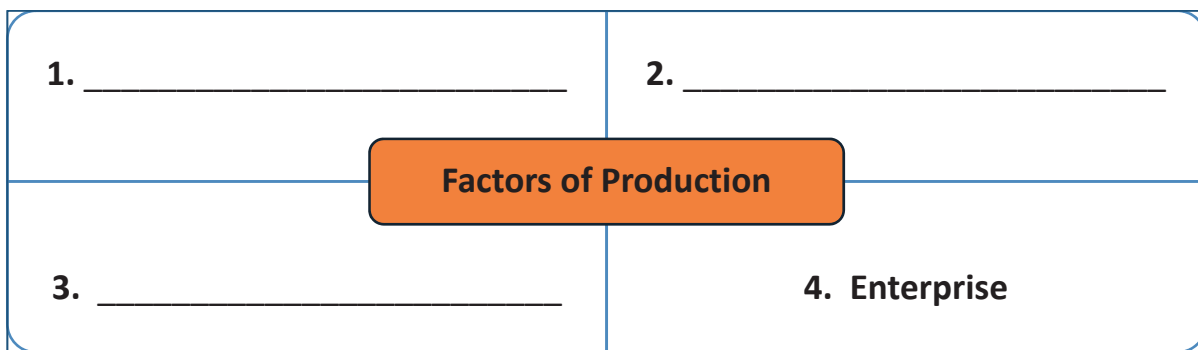
(i) Using the above information calculate Ireland's balance of trade.

Workings	€ _____ billion
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(ii) Give **one** reason why international trade is important for Ireland.

Question 10

(i) Fill in the missing factors of production below:



(ii) Enterprise is essential to the Irish economy.

Identify **one** skill of an entrepreneur.



Question 11

State **two** reasons why a business should prepare a business plan.

1.
2.

Question 12

Name a source of income associated with **each** of the following people:

Retired person	
Employed person	
Unemployed person	

Question 13

<p>Gardaí to recruit 800 new officers with €60 million funding increase.</p> <p>The Journal, October 2018</p>	
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The Government will spend €60 million in the Department of Justice and Equality to recruit additional Gardaí in 2019. State **one** example of expenditure in the Government Departments below:

Government Department:	Example of expenditure:
1. Health	
2. Education and Skills	
3. Transport, Tourism and Sport	






Question 14

Complete the trading account of Blake Ltd for the year ended 31/12/2018:

Trading Account of Blake Ltd for the year ended 31/12/2018		
	€	€
Sales		850,000
Less cost of sales		
Opening stock	75,000	
Purchases	450,000	
Less closing stock	115,000	
Cost of sales		
Gross profit		

Question 15

The following items were identified as the main areas of expenditure for Irish consumers in 2018. Classify each item of expenditure as a need or a want.

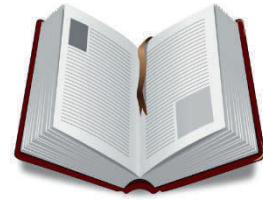
Items of expenditure	Need/Want
 <p>Food</p>	
 <p>Holidays</p>	
 <p>Clothing and Footwear</p>	



Answer all questions.

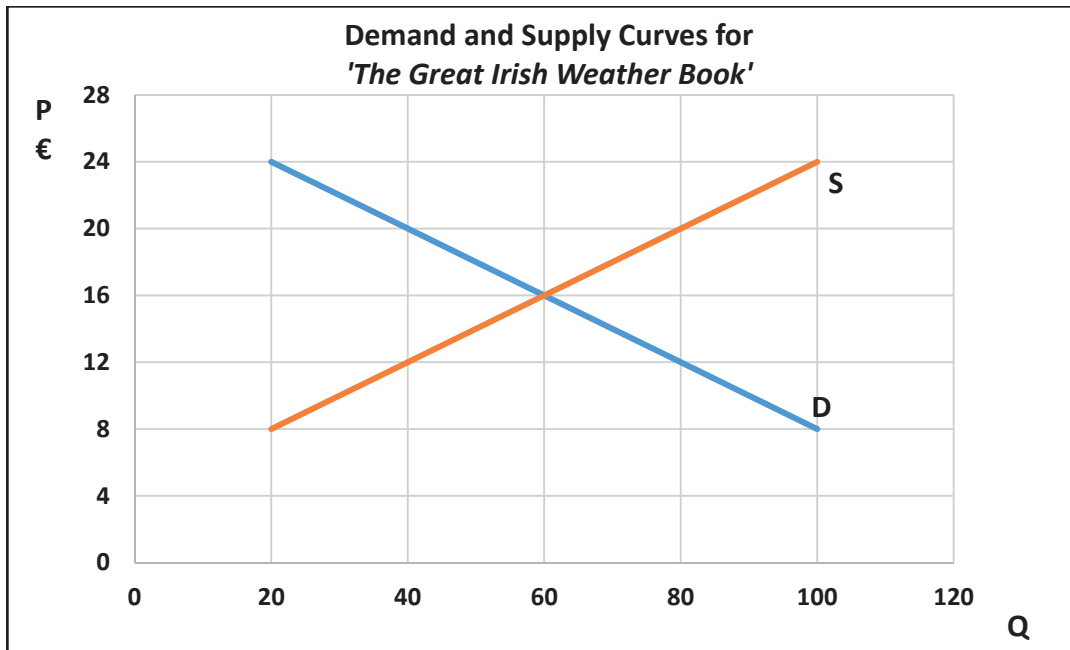
All questions carry equal marks.

New Chapter



Question 16

- (a) New Chapter is an award winning traditional bookshop located in Tinahely, Co Wicklow. The demand and supply curves for one of its books *'The Great Irish Weather Book'* are shown in the diagram below.



Use the above diagram to answer **each** of the following questions.

Write your answers in the spaces provided.

- (i) Indicate the quantity supplied of *'The Great Irish Weather Book'* at €20.

- (ii) Indicate the quantity demanded of *'The Great Irish Weather Book'* at €8.

- (iii) Indicate the equilibrium price of *'The Great Irish Weather Book'*.



- (iv) What impact would the following have on the demand for books in New Chapter?
Place a tick (✓) in the correct box.

	Increased demand for books in New Chapter	Decreased demand for books in New Chapter
A reduction in the price of books		
An increase in taxes (VAT)		
Roll out of broadband to all areas in Wicklow		
An Eason's store opening in the town		

- (v) Investing in Information and Communication Technology (ICT) can bring many benefits to a local business like New Chapter.



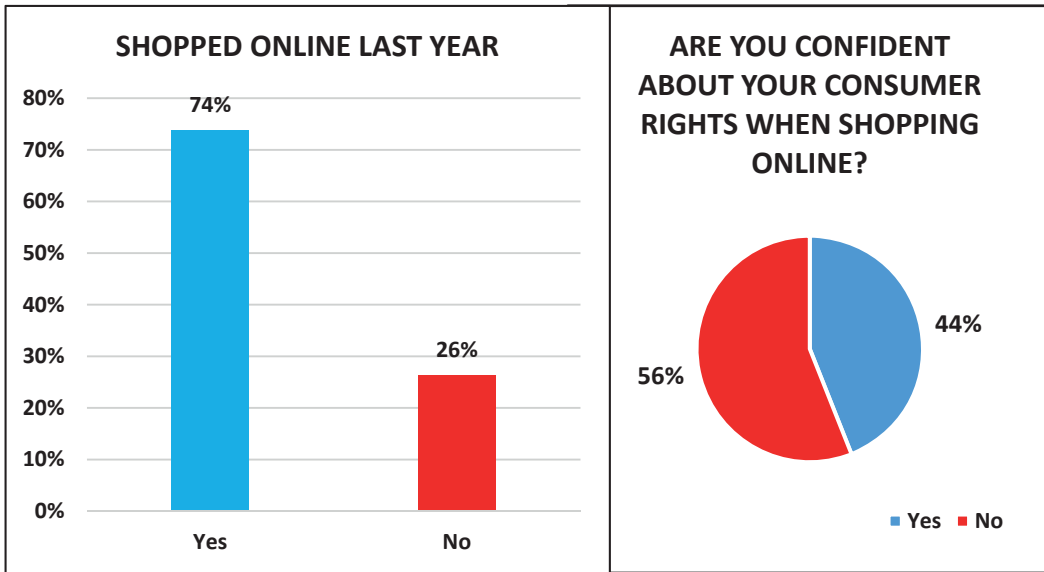
Illustrate how the business could use technology to its advantage.

- (vi) Outline **two** possible costs for New Chapter associated with investing in ICT.

1.
2.



(b) The number of consumers shopping online is increasing but it appears that many are still not confident about their consumer rights online. A recent survey indicated the following results:

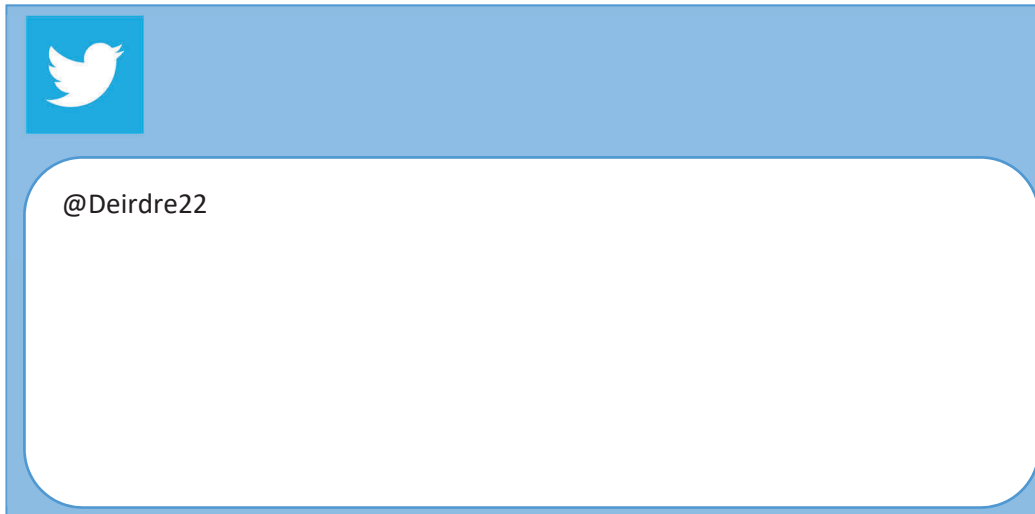


(i) Explain **three** things a good consumer should do when buying goods online.

1.	
2.	
3.	




- (ii) Your friend Deirdre (@deirdre22) has ordered a book online from a business in the European Union. Forty days have passed and the book has not arrived. Write a tweet to @deirdre22 to let her know what agency she should go to for help:



A screenshot of a Twitter interface. At the top left is the Twitter bird logo. Below it is a text input field with the placeholder text "@Deirdre22". The rest of the interface is a large white area for writing the tweet, framed by a blue border.

- (c) New Chapter has decided to diversify and start selling take away coffee which is very much in demand by their customers and would also entice passers-by into the bookstore. They are concerned about a new proposal outlined below which appeared in a newspaper.

<p>'A proposed 'latte levy' could reduce disposable coffee cups by 250,000 a day.'</p> <p>The Government has proposed a new 15 cent levy on disposable coffee cups.</p>	 <p>The Irish Times, March 2018</p>
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- (i) Outline **two** benefits of the proposed 'latte levy'.

1.
2.



- (ii) Consumers can act ethically by purchasing a reusable coffee cup. Explain **one** other step a consumer could take to be more ethical in their purchasing decisions.

- (iii)

**Contactless transactions jump 66%
in first half of 2018**

The Irish Times, November 2018



There has been a large increase in consumers using contactless transactions to pay for goods and services. Outline one advantage and one disadvantage **to the consumer** of using contactless payments.

Advantage:

Disadvantage:



Question 17

- (a) Food2Go Ltd is a fast food retailer which operates in 10 locations in Dublin. Complete the Analysed Cash Book of Food2Go Ltd for the month of May from the information provided below and balance the account.



Date	Transaction	Amount €
01/05/2019	Shareholders invested in company	21,500
04/05/2019	Sold goods	12,000 + VAT at 13.5%
06/05/2019	Paid wages	3,000
15/05/2019	Purchased goods for resale	5,600 + VAT at 13.5%
23/05/2019	Paid electricity	670
27/05/2019	Paid wages	2,850



(i)

Analysed Cash Book of Food2Go Ltd												
Dr						Cr						
Date	Details	Bank	Sales	VAT	Capital	Date	Details	Bank	Purchases	VAT	Wages	Electricity
2019		€	€	€	€	2019		€	€	€	€	€

(ii)

How much money is in the Food2Go Ltd bank account at the end of the month? €

€



(iii) Post all totals and balances from the analysed cash book of Food2Go Ltd to the relevant ledger accounts below.

Dr _____ a/c Cr

Date	Details	Total	Date	Details	Total

Dr _____ a/c Cr

Date	Details	Total	Date	Details	Total

Dr _____ a/c Cr

Date	Details	Total	Date	Details	Total



Dr _____ a/c Cr

Date	Details	Total	Date	Details	Total

Dr _____ a/c Cr

Date	Details	Total	Date	Details	Total

Dr _____ a/c Cr

Date	Details	Total	Date	Details	Total



(b) (i) Food2Go Ltd has an impact on the local area in which it operates.

Outline **two** contributions Food2Go Ltd makes to the area.

1.
2.

(ii) Food2Go Ltd pays VAT at the new rate of 13.5% following the increase in VAT rates announced in Budget 2019 for the hospitality sector. Complete the blanks below:

VAT stands for V _____ A _____ T _____
VAT is charged on _____ and _____
VAT is a source of income for _____

(iii) Food2Go Ltd also pays corporation tax (a tax on company profits). Ireland has a low rate of corporation tax at 12.5%.

Explain **one** benefit to Ireland of having a low corporation tax rate.




Question 18

- (a) Mary and her husband John live in Lanesboro, Co. Longford. Mary is a pilot with Ryanair. Her husband John is currently unemployed, but volunteers in the local community.

Volunteers contribute over 480,000 hours of their time

The top areas to benefit from this volunteering were Arts, Culture & Media, and Children & Community Development.



volunteer ireland
www.volunteer.ie

- (i) Differentiate between **volunteering** and **employment** by answering true or false to each of the following statements. Place a tick (✓) in the correct box.

	True	False
An employee is entitled to a fair days pay.	<input type="checkbox"/>	<input type="checkbox"/>
A volunteer gets paid.	<input type="checkbox"/>	<input type="checkbox"/>
An employee has legal rights.	<input type="checkbox"/>	<input type="checkbox"/>
A volunteer must have a third level qualification.	<input type="checkbox"/>	<input type="checkbox"/>

- (ii) John volunteers in the local community. Outline the **benefits** of volunteering for John.



(iii) Mary enjoys her job with Ryanair but is concerned about industrial relations issues.



Outline **two** rights and **two** responsibilities Ryanair has as an employer.

Rights as an employer:

1.
2.

Responsibilities as an employer:

1.
2.



- (b) Mary's position with Ryanair earns her a monthly wage of €7,000 and she earned overtime of €600 in May. She pays PAYE at the rate of 40% and has a monthly tax credit of €275. She pays PRSI at 4% and USC at 5.5%.

Using the details above, complete Mary's payslip for 31/05/2019.

Payslip			
Employee Name:	Mary Brennan	Date:	
Earnings		Deductions	
Basic Wage		PAYE	
Overtime		PRSI	
		USC	
Gross Pay		Total Deductions	
Net Pay			

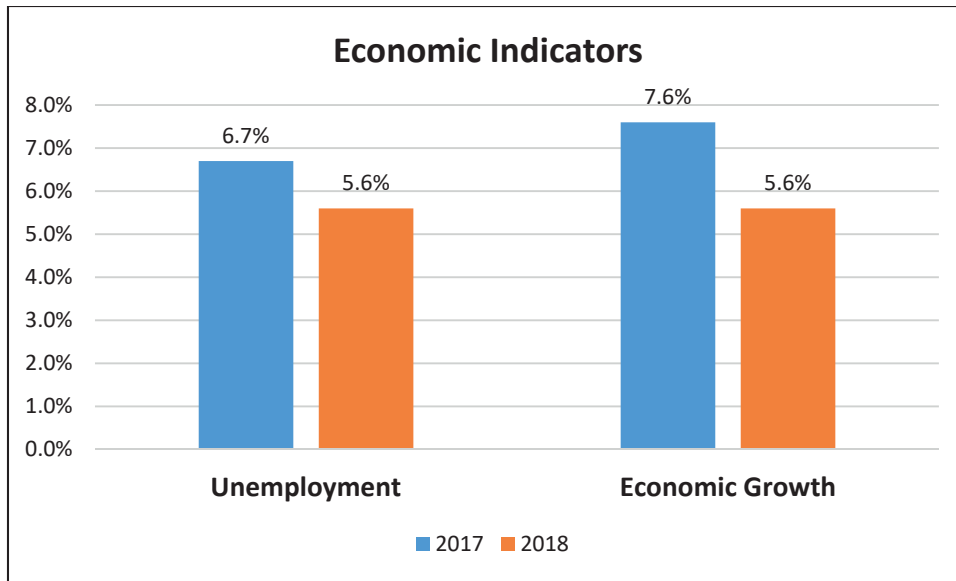
PAYE workings box:

PRSI workings box:

USC workings box:



- (c) Given that Mary's husband John is unemployed, she is interested in finding out how the economy is doing. On the graph below, the economic indicators for unemployment and economic growth are shown for Ireland for 2017 and 2018.



- (i) Indicate in each case whether the change in the indicators is a good or bad trend for the Irish Economy. Tick (✓) the correct box below.

Economic Indicator	Good Trend	Bad Trend
Unemployment		
Economic growth		

- (ii) Explain the impact of the above trend in **unemployment** on individuals like John and on the economy.

Impact on individuals:
Impact on the economy:



Acknowledgements

Images

Page 6: Central Statistics Office (www.cso.ie) December 2018

Page 12: Twitter (www.twitter.com)

Page 19: Volunteer Ireland (www.volunteer.ie) January 2018

Page 20: The Irish Times (www.irishtimes.com) August 2018

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