

Leaving Certificate Examination 2000

Business – Higher Level

(400 MARKS)

WEDNESDAY, 14 JUNE, 9.30 a.m. – 12.30 p.m.

Answer

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

WARNING

**You must return Section 1 with your answer book,
otherwise marks will be lost.**

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

Write your Examination Number here

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Leaving Certificate Examination 2000 Business – Higher Level

SECTION 1:- SHORT ANSWER QUESTIONS (80 marks)

This section is compulsory. Answer eight questions. Each Question carries 10 marks.

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

Column 1.	Column 2: Explanations
1. Consumer	(a) The power of a natural or legal person, who is in a position to form a contract.
2. Consideration	(b) People working together in a joint effort to help each other.
3. Capacity	(c) A term that is important and goes to the heart of a contract.
4. Co-operation	(d) A difference that arises between individuals or groups.
5. Condition	(e) A person or organisation who purchases goods or services.
	(f) A benefit that passes from one party to another in a contract.

1	2	3	4	5

2. Illustrate your understanding of the term “Arbitration”.

3. Distinguish between ‘risk management’ and ‘time management’.

(i) _____

(ii) _____

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

Explain your answer in one sentence.

5. Complete this sentence:
A 'Spreadsheet' helps a business to:

6. Sales Promotion is a popular promotion technique. List three other promotion techniques used by business.

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

Outline any one of them.

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7.

	2000	1999
	IR£	IR£
Long Term Loans	310,000	307,000
Ordinary Share Capital	210,000	150,000
Reserves	98,000	55,000
Overdrafts	56,000	76,500

Workings

Calculate the Debt / Equity Ratios for each Year. 2000 _____ : _____ and
 1999 _____ : _____ Show workings.

Comment on the trend.

8. Illustrate the difference between a 'Community Enterprise' and a 'State Enterprise'.
 (i)

(ii)

9. If a Business premises had a market value of IR£450,000 and was insured for IR£ 350,000 when a partial loss of IR£ 124,000 was caused due to a fire in the office part of the building, calculate the amount of compensation to be paid to the insured.

IR£ _____

Workings

Explain your answer

10. List four contrasting activities in managing a household and managing a business.

(i) _____

(ii) _____

(iii) _____

(iv) _____

[80 marks]

PLEASE REMEMBER TO RETURN THIS SECTION WITH YOUR ANSWERBOOK.

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Business - Higher Level

SECTIONS 2 and 3

ANSWER APPLIED BUSINESS QUESTION

and

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.

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SECTION 2

(80 Marks)

This is a compulsory question.

Applied Business Question.

Stone Products Ltd.

Paddy Murphy was very proud of himself for having set up a successful business. Ever since he left school and trained with his father as a stone mason, he had wanted to own a quarry and building business of his own. He worked hard at everything he did, at school, as an apprentice and now in his own business. He always concentrated on the future and because of this he tried to make the best decisions in the interest of the business.

Over the past twenty years the stone and concrete business had changed a lot, especially in the areas of quality, customer service and in stock and financial management. The changes caused some difficulties in the business but Paddy's approach was to collaborate with the staff to tackle the challenges. He liked to train his own employees in general but also, when necessary, to recruit people from outside.

'Stone Products' customers were mainly in the construction industry and they returned to trade with the company on a regular basis. Customers were happy with the way Paddy did business. Success resulted from finding out as much as possible before making a decision and having as many of the employees as possible organised into teams and involved in making the decisions. He liked people with initiative to work for him, especially those who would stick with jobs, spot challenges early and find solutions quickly. He allowed his staff to deal with customers directly, paid them well but expected targets to be met.

- (A) Illustrate, from the above information, the enterprising characteristics shown by Paddy.
(20 marks)
- (B) Analyse the management activities used by Paddy in the running of his successful business. Refer to the above text in your answer.
(20 marks)
- (C) Paddy often said that good Human Resource Management was the key to his success. Would you agree with his view? Using the information available about Stone Products Ltd., explain your answer fully.
(40 marks)

[80 marks]

SECTION 3

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

Read the information supplied and answer the questions which follow.

Telair Products PLC is a new company that has become a large company very quickly. The workforce is not allowed to join a trade union. It is secretive in the way it deals with its staff and minor industrial relations disputes have sometimes grown to become serious ones. There are no grievance procedures in place and the morale of the workforce is being reduced by the way managers are behaving. Future industrial action is a possibility.

- (A) Outline two legislative methods of solving the above problems. (20 marks)
- (B) Contrast the roles of a Rights Commissioner with that of the Data Protection Commissioner in solving business conflicts. (20 marks)
- (C) Under the terms of the Industrial Relations Act 1990 explain
- (i) The reasons for legitimate trade disputes and
 - (ii) The provisions of the act with regard to picketing. (20 marks)
- [60 marks]

Domestic/International Environment

Question 2

- (A) Illustrate how environmental issues can have an impact on businesses. (15 marks)
- (B) Compare 'alliances' with 'franchises' as types of business organisation. (20 marks)
- (C) Analyse the way in which the Government creates a suitable climate for business enterprises in the country. Use examples in your analysis. (25 marks)
- [60 marks]

Domestic/International Environment

Question 3

Ireland is an open economy. The Irish economy is greatly affected by influences from abroad. The international environment offers Irish Business many opportunities and challenges e.g. the marketing of Irish products abroad and the threat from foreign competitors.

- (A) Explain, using examples, the importance of global marketing for a global business. (20 marks)
- (B) Outline the purpose of the European Union's Competition Policy. (10 marks)
- (C) Discuss the changing nature of the International Economy. Include in your response the effects it has on Irish business. (30 marks)
- [60 marks]

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SECTION 3

Part 2 Enterprise

Managing

Question 4

- (A) Define 'Communications'.
Illustrate the importance of good communications for the success of a business enterprise.
(20 marks)
- (B) Evaluate the role that Information (Communications) Technology applications play in business communications. Use examples in your answer.
(20 marks)
- (C) (i) Draft a Bar Chart from the following data

Cost Category	%
Materials	35
Labour	20
General Expenses	10
Financial Expenses	05
Transport	25
Marketing	05

- (ii) Make two comments that are relevant to the information in the chart.
- (iii) Outline two other forms of visual communications that could be used to present the data to a meeting of managers.
(20 marks)
[60 marks]

Changing Role of Management

Question 5

- (A) Explain the changing role of a manager from controller to facilitator. Refer to areas such as the Empowerment of workers and Total Quality Management in your explanation.
(25 marks)
- (B) Outline the strategies that could be used to successfully manage change in an organisation.
(15 marks)
- (C) Illustrate the impact that technology has on an organisation's
- Business costs and
 - Personnel.
- (20 marks)**
[60 marks]

Business in Action

Question 6

Analyse the development process of a new Product/Service of your choice under the following headings:

- (a) Idea Generation
- (b) Product / Service Screening
- (c) Concept Development
- (d) Feasibility Study
- (e) Prototype Development.

[60 marks]

Business in Action

Question 7

Read the information supplied and answer the questions which follow.

“Expansion is so important to some businesses that they use every possible means to achieve it and at any cost. Businesses that expand only to make more money tend not to be the most successful ones. Often they forget some other important reasons for growth in business e.g. satisfying customers’ real needs is not always considered important.”

- (A) Outline two reasons for Business Expansion other than increased profit. **(20 marks)**
- (B) Describe how the development of a good marketing strategy (plan) would aid business expansion. **(10 marks)**
- (C) Contrast Equity and Loan capital as sources of finance for expansion. **(30 marks)**

[60 marks]