

Leaving Certificate Examination, 2000

**Business - Ordinary Level  
(400 marks)**

**WEDNESDAY, 14 JUNE, MORNING 9.30 a.m. - 12.00 noon**

**Two and a half hour Examination**

**Answer**

**Ten questions from Section 1**

**Four questions from Section 2 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	
11	
12	
13	
14	
15	
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**

**An Roinn Oideachais agus Eolaíochta**

**Leaving Certificate Examination 2000  
Business - Ordinary Level**

**SECTION 1 - SHORT ANSWER QUESTIONS**  
(100 marks)

**This section is compulsory. Answer 10 questions. Each question carries 10 marks. Please enclose this Section in your answer book.**

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

(i)	D.I.R.T.
(ii)	E.U.
(iii)	I.C.T.U.

2. *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 beside the relevant number below. One explanation has no match.*

Column 1 Terms	Column 2 Explanations
1. Comprehensive Insurance	A. The insurer can make a claim against a third party responsible for the loss
2. Indemnity	B. Document needed to apply for compensation
3. Policy	C. A profit cannot be made from an insurance claim
4. Utmost Good Faith	D. Covers all people and cars involved in an accident
5. Claim form	E. A contract document showing risks covered and conditions
6. Average clause	F. Person must disclose all the material facts to insurance company
	G. Is used if the property is underinsured

<b>E.g.</b> 1. <i>D</i>	2.	3.	4.	5.	6.
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3. List **three** characteristics of managers.

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4. List **five** types of written communications in business.

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5.

Date	Details	Cheq. No	Debit	Credit	Balance
2000					
12 June	Lodgement			500	500
14 June	Cheque	6	200		300
21 June	ATM		100		200
24 June	Lodgement			300	X.

A. Name the above household document. \_\_\_\_\_

B. What is the balance in the box marked X. \_\_\_\_\_

C. Explain the letters 'ATM'. \_\_\_\_\_

6. Distinguish between Balance of Trade and Balance of Payments.

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7. Explain the term 'span of control'.

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8. Define Limited Liability:

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9. List **three** state organisations which would help an Irish business develop an export market.

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10. Indicate whether each of the following A, B, C, D, E are true or false.

	Sentence	True or False
A	The Employment Equality Act makes it legal for an employer to discriminate on the grounds of marital status	
B	The Industrial Relations Act allows peaceful picketing to take place	
C	The Unfair Dismissals Act protects all employees whether full time or part time, from being unfairly dismissed by their employer	
D	The Data Protection Act applies only to personal data kept on computer and does not apply to data in manual records	
E	The Consumer Information Act applies to advertisements and claims made by manufacturers, distributors, wholesalers and retailers	

11. Outline **two** reasons why a cash flow statement would be prepared.

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12. Successful teams go through four stages:

1. FORMING	2. STORMING	3. NORMING	4.
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1. Name the fourth stage. \_\_\_\_\_

2. Explain what norming means.

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13. Name **two** items which you need to access the internet.

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14. Explain what is meant by franchising and illustrate your answer with an example.

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15. List **three** items that might appear on an Agenda for a meeting.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

**An Roinn Oideachais agus Eolaíochta**  
**Leaving Certificate Examination, 2000**

**BUSINESS - ORDINARY LEVEL**

**SECTION 2**

**(300 marks)**

**All questions carry equal marks.**

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

**One question from Part 1**

**Two questions from Part 2**

**And one other question from either Part 1 or Part 2.**

<b>People in Business</b>
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**Question 1**

*Read the following information and answer the questions which follow.*

<p>Anne Andrews had a new wall built in her garden by a local builder which cost IR£500. Within a week a number of bricks had become loose and fallen onto the grass. The bricks had broken into halves when they fell on the ground.</p>
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- (A) Illustrate **one** non legislative (non-legal) method of solving the above problem. (5 marks)
- (B) Outline **three** rights of Anne under the Sale of Goods and Supply of Services Act 1980 in relation to the service provided by the builder. (15 marks)
- (C) State **one** reason why Anne could take a case with the Small Claims Court and describe the role of this Court. (15 marks)

'Conciliation' and 'arbitration' are terms often used when problems exist between employers and employees.
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- (D) Explain the terms 'conciliation' and 'arbitration'. (20 marks)
- (E) Describe the relationship which exists between an employer and an employee. (20 marks)  
**(75 marks)**

**Question 2**

*Read the following information and answer the questions which follow.*

<p>Kilbarry co-operative produces and trades in fruit and vegetables both fresh and processed. It has recently set up as a plc and is now called Kilbarry plc. The company has identified that it needs to invest in R &amp; D, and marketing to expand its export markets. The company also wishes to form a business alliance with Citrus plc a South American fruit company. Citrus plc has a large export market and a lot of experience and skills in exporting their products. A recent television programme highlighted that Citrus plc had a poor record of treating its employees. The programme showed evidence of poor pay, poor working conditions and the use of potentially dangerous pesticides with some of its products. Citrus plc has also been fined for polluting a lake and two rivers in South America.</p>
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- (A) Explain the terms 'plc', 'R & D' and 'marketing'. (24 marks)
- (B) Outline **three** reasons why Kilbarry co-operative would want to become a plc. (15 marks)
- (C) Explain **three** reasons why Kilbarry plc. are planning a business alliance with Citrus plc. (15 marks)
- (D) Define business ethics and outline reasons why Citrus plc. has not behaved ethically. (21 marks)  
**(75 marks)**

**Domestic / International Environment**

**Question 3**

*Read the information supplied and answer the questions which follow.*

Local community enterprise has increased in recent years and at the same time figures for inflation and unemployment have fallen in the Irish economy.

- (A) Explain why local community enterprise is important. (15 marks)
- (B) Define the term 'inflation' and state the approximate percentage rate of inflation in Ireland at present. (10 marks)
- (C) Explain **three** benefits to the economy of low unemployment. (15 marks)
- (D) Outline **three** ways in which high taxation can effect business. (15 marks)
- (E) List **three** E.U. policies and explain the role of **one** of them. (20 marks)
- (75 marks)**

**Enterprise / Managing 1**

**Question 4**

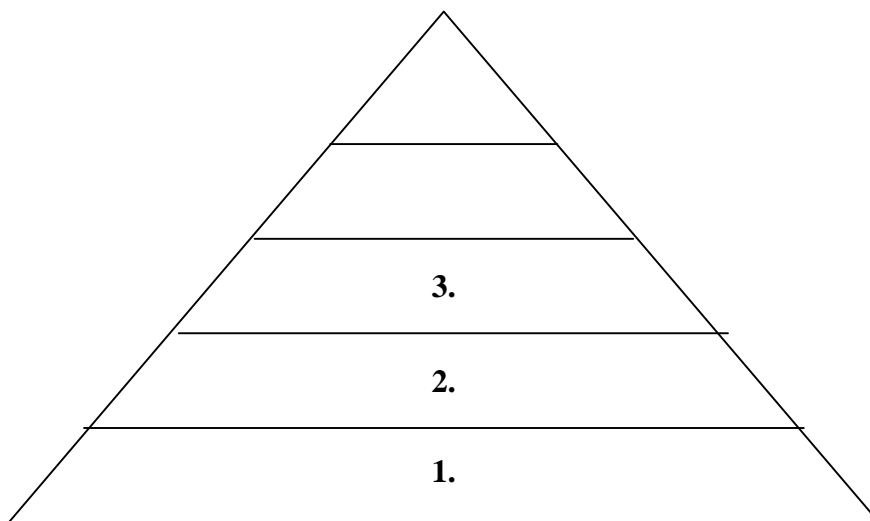
*Read the information supplied and answer the questions which follow.*

Enterprising people are often very highly motivated.

Two theories of motivation are:

McGregors Theory X and Theory Y and Maslows hierarchy of needs.

Maslows Hierarchy of needs



- (A) Define motivation. (10 marks)
  - (B) Describe either McGregor's theory X or theory Y. (15 marks)
  - (C) List five characteristics of enterprising people. (15 marks)
  - (D) List levels **1, 2, 3** and **4** of Maslows hierarchy of needs and explain one of them. (25 marks)
  - (E) Define the term 'delegation'. (10 marks)
- (75 marks)**



## Managing

### Question 5

Study the information supplied and answer the questions which follow.

The CEO of a large company recently was quoted as saying:

*"Management of firms is changing very fast.*

*In the past as manager my job was one of controller or expert while my job now, requires, the skills of a coach and facilitator.*

*I also need to understand the role of TQM and IT in running my business."*

- (A) What does the term CEO mean? (5 marks)
- (B) Explain what is meant by a 'controller' manager and a 'facilitator' manager. (20 marks)
- (C) Describe **two** benefits of Total Quality Management, (TQM). (10 marks)
- (D) Outline **four** effects that Information Technology (IT) has on the role of management. (20 marks)
- (E) Explain the purpose of performance appraisal. (20 marks)
- (75 marks)**

## Managing

### Question 6

Study the information supplied and answer the questions which follow.

Catherine Hayes is 25 years of age and has been a manager in a small retail store in Kildare for four years. She did her Leaving Certificate in 1993 and got honours in English and Business. She is chairperson of the Kildare Tennis Club and lives in 102 Main Street, Kildare. She saw the following advertisement in the Irish Gazette newspaper.

*HRM and Sales recruitment Advertisement  
Telemarketing Manager wanted for busy firm.  
Salary basic 16K Attractive bonuses.  
Marketing to English speaking customers.  
Must have: three years experience in similar position  
excellent telephone manner, problem solving  
skills and experience of running a team.  
Reply in confidence with a C.V. to H. Holmes,  
Tele Technology Ltd., Cork Street, Dublin 8  
before July 1<sup>st</sup> 2000.*

- (A) What does 'HRM' and 'C.V.' mean? (5 marks)
- (B) Distinguish between a job description and a person specification and illustrate your answer with examples from the above advertisement. (16 marks)
- (C) Draft Catherine Hayes's letter of application for the above position. (20 marks)
- (D) Draft a suitable C.V. for Catherine under the following headings: (20 marks)
1. Name and address
  2. Qualifications
  3. Work Experience
  4. Hobbies.
- (E) Explain the importance of good communication in applying for the above position. (14 marks)
- (75 marks)**

**Managing 2 / Business in action**

**Question 7**

Study the information supplied and answer the questions which follow.

Gerard Morgan owns a small café. He has been running the business for three years and before that was a manager of a restaurant for five years. The café is situated in a busy street in the centre of town along side a large hospital. The café has been very busy since Gerard advertised a special lunch time offer for IR£4.00. Gerard has one full time chef and four part time staff. He has savings of IR£30,000, reserves of IR£25,000 and a loan from ABN Bank. He is looking for more finance to buy equipment and is preparing a loan application.

*Café Sales for the year 1999*

<u>Menu item</u>	<u>Price of item</u> IR£	<u>Items Sold</u>	<u>Sales Revenue</u> IR£
Irish Breakfast	5.00	4000 =	20,000
Coffee and sandwich	2.50	1600 =	4,000
Fish and chips	3.00	4000 =	12,000
Apple Pie and Cream	2.00	2000 =	4,000
Minerals	1.00	20000 =	<u>20,000</u>
		<b>Total Sales Revenue</b> =	<u>          </u>
<b>Expenses:</b>	Cost of Sales	= IR£24,000 pa	
	General Expenses	= IR£12,000 pa	
	Loan interest	= IR£4,000 pa	

- (A) Calculate the total sales revenue and the gross profit generated by the café for the year. (10 marks)
- (B) Calculate the Net Profit generated by the café. (10 marks)
- (C) Calculate the Net profit percentage. (10 marks)
- (D) Describe three types of appropriate advertising media in which Gerard could promote his café. (15 marks)
- (E) Draft a business plan for Gerard to help his application to the bank for finance under the following **three** headings: (30 marks)
1. Ownership.
  2. Marketing.
  3. Finance.
- (75 marks)**

## Business in Action

### Question 8

*Study the information supplied and answer the questions which follow.*

Pratai plc was set up fifty years ago and makes potato crisps for the domestic and export markets. It has expanded through organic growth and now is a major employer in the local area. The demand for its products is growing but the company has limited production capacity. Recent competition from other snack food companies has decreased Pratai's market share.

- (A) Illustrate what is meant by 'organic growth'. (5 marks)
- (B) Describe **four** reasons why Pratai plc. would like to expand their business. (20 marks)
- (C) Describe **two** methods of expansion that Pratai plc. could use. (10 marks)
- (D) Identify **three** sources of finance that Pratai plc. could use for expansion.  
Explain any **one** of these sources. (20 marks)
- (E) Outline the implications of expansion of Pratai plc. and its effects on:
- Share price,
  - Supplies,
  - Profits,
  - Employees,
  - Consumers.
- (20 marks)
- (75 marks)**