

WARNING

This Question Paper **MUST** be returned with your answerbook 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, 2003

BUSINESS — ORDINARY LEVEL

(400 marks)

WEDNESDAY 11TH JUNE - MORNING 9.30 a.m. to 12.00 noon

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.

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

Q.	Mark
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
Total	

**REMEMBER TO RETURN THIS QUESTION PAPER WITH THE
ANSWERBOOK YOU USE FOR ANSWERING SECTION 2.**

SECTION 1 - SHORT ANSWER QUESTIONS

(100 marks)

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 full in the space provided*).

(i)	VAT
(ii)	PRSI
(iii)	HRM

2. List **three** qualities of managers.

3. Outline the role of investors in business and give **two** examples of investors.

4. What does Feasibility Study mean:

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

	Column 1 Terms		Column 2 Explanations
1	Insurable Interest	A	The insured must disclose all material facts to the insurer.
2	Premium	B	After compensation has been paid, the rights of the insured pass to the insurance company.
3	Contribution	C	Applies when a property is underinsured.
4	Average Clause	D	The insured must have a financial interest in the item being insured.
5	Subrogation	E	The annual cost of insurance cover.
6	Utmost Good Faith	F	Applies when two or more insurers cover an insurance risk.
		G	A profit cannot be made from an insurance claim.

1.	2.	3.	4.	5.	6.
D					

6. Explain the term Intrapreneur and illustrate your answer with an example.

7. Draw a line graph to illustrate the following information for GHK Ltd.:

Year	1998	1999	2000	2001	2002
Sales	100,000	130,000	140,000	160,000	150,000



8. Delegation means

Give an example of delegation.

9. Explain what is meant by a Transnational Company and give **one** disadvantage of Transnational Companies to the Irish economy.

A Transnational Company is

Disadvantage _____

10. In relation to taxation, outline what the following forms are for.

P45 _____

P60 _____

11. Outline **three** barriers to effect communication.

12. Distinguish between Strategic Planning and Tactical Planning.

13. Outline the importance of Quality Control to a business.

14. Explain the term Equity Capital. _____

15. There are four Factors of Production.

1. LAND	2. LABOUR	3. ?	4. ?
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Name the third and fourth factors.

3. _____

4. _____

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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

Read the following information and answer the questions which follow.

Martin Ryan bought a wooden garden shed from Greener Gardens Ltd. for €900. One week later Martin noticed that the door of the shed would not close fully and when it rained the roof leaked. He rang Greener Gardens Ltd. to complain about the shed.

1. (A) Name the law that protects the consumer in this case. (10 marks)
- (B) Outline **one** approach for solving the above problems. (10 marks)
- (C) Explain the legal rights of Martin and the duties of Greener Gardens Ltd. (20 marks)

The Unfair Dismissals Act 1977 – 1993 protects workers from unfair dismissal.

- (D) List **two** reasons for fair dismissal and **two** reasons for unfair dismissal under this Act. (20 marks)
 - (E) Describe the role of a Rights Commissioner. (15 marks)
- (75 marks)**

Domestic Environment

Question 2

Read the following information and answer the questions which follow.

John O Reilly is considering setting up his own business – a coffee shop and sandwich bar in his local town. He heard that forming a private limited company was a good idea.

2. (A) Name the category of industry in which John's business would be operating. (10 marks)
- (B) Describe **three** benefits of forming a private limited company. (15 marks)
- (C) Outline **three** effects which business has on the economy. (15 marks)

Local community enterprise is important for the local economy.

- (D) Explain **three** benefits of local community enterprise. (15 marks)
 - (E) Name **two** agencies which can help local community development and outline the role of one of them. (20 marks)
- (75 marks)**

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Question 3

3. (A) Explain what is meant by an ‘indigenous’ firm. (10 marks)
- (B) Outline **two** reasons for the development of transnational companies. (10 marks)
- (C) Define the term ‘privatisation’ and outline **two** benefits of privatising a state enterprise. (20 marks)
- (D) Describe three ways in which Information and Communications Technology (ICT) has helped International Trade. Use an example in **each** of your answers. (15 marks)
- (E) Outline **two** opportunities and **two** challenges faced by Irish firms engaged in international trade. (20 marks)
- (75 marks)**

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Part 2

Managing 1

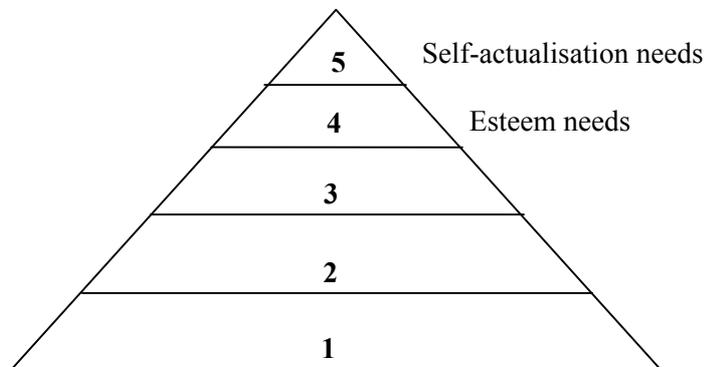
Question 4

Study the information supplied and answer the questions which follow.

Geraldine Davis is the M.D. of BP Publishing Ltd. which employs 15 permanent and 3 part-time staff. Geraldine is aware of the importance of good leadership and of motivation in ensuring that the employees are happy in the workplace.

4. (A) What do the letters M.D. stand for? (5 marks)
- (B) Name **two** types of leadership and explain either **one** of them. (15 marks)
- (C) Copy this diagram of Maslow's Hierarchy of Needs into your answerbook. List levels 1, 2, and 3 and explain **one** of these. (20 marks)

Maslow's Hierarchy of Needs



- (D) Describe either McGregor's Theory X **or** Theory Y. (15 marks)
- (E) Explain what Employee Empowerment means and outline **two** benefits of empowerment. (20 marks)
- (75 marks)

Enterprise / Managing

Question 5

Study the information supplied and answer the questions which follow.

John White, a qualified electrician, set up his own electrical sales and repairs shop three years ago in Limerick. The business has been very successful. He now employs three sales assistants and he recently bought a delivery van so that he could offer his customers a collect and return service. John is thinking of expanding the business by opening a second shop in a town twenty miles away.

5. (A) John is an entrepreneur. Explain what this means and outline **two** qualities of an entrepreneur. (15 marks)
- (B) Describe **three** types of insurance that John should take out for his business. (15 marks)
- (C) Describe **two** taxes that John would be expected to pay. (10 marks)
- (D) Name **three** sources of long term finance that John could use to finance the second shop and explain **one** of them. (20 marks)
- (E) Explain the term 'Performance Appraisal.' (15 marks)
- (75 marks)

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Business in action

Question 6

Study the information supplied and answer the questions which follow.

Helen Murphy is the Marketing Manager of Sláinte Ltd., a company which manufactures and distributes health foods and supplements throughout Ireland. The R & D department of the company have used field and desk research and Helen realised the importance of advertising and sales promotion in increasing the market share of the company.

6. (A) Explain the term R & D. (5 marks)
- (B) Explain the terms 'field research' and 'desk research' and use an example to illustrate **each** answer. (20 marks)
- (C) Outline **three** types of advertising media that could be used to increase the sales of Sláinte Ltd. products. (15 marks)
- (D) Outline **three** methods of sales promotion that could be used to promote the products of Sláinte Ltd. (15 marks)
- (E) Explain the term 'brand name' and outline **three** benefits to a business of using brand names. (20 marks)
- (75 marks)**

Managing 2 / Business in action

Question 7

Study the information supplied and answer the questions which follow.

Brady Furniture and Carpets Ltd. have a Current Account in their local bank. One of the benefits provided with the current account is a bank overdraft.

7. (A) What is a bank overdraft? (10 marks)
- (B) Explain why a business or household would prepare a Cash Flow Forecast. (10 marks)
- (C) Outline **two** sources of finance common to a business and a household and explain either of them. (15 marks)

The following financial information is available from the accountant of Brady Furniture and Carpets Ltd.

	2002	2001
Balance Sheets – Extract	€	€
Current Assets	200,000	180,000
Current Liabilities	100,000	120,000
Capital Employed	500,000	500,000
Trading Profit and Loss Accounts – Extract		
Net Profit	50,000	40,000

- (D) Calculate the Working Capital Ratio for 2001 and 2002 and comment on trend. (Show the formulas and all your workings) (25 marks)
- (E) Calculate the Return on Capital Employed for 2001 and 2002. (Show the formulas and all your workings) (15 marks)
- (75 marks)**

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Business in Action

Question 8

Study the information supplied and answer the questions which follow.

Mary Burke has just graduated from college with a degree in Business Studies. She would like to set up her own business as a sole trader and is trying to identify opportunities and ideas for a new product or service.

8. (A) Outline the advantages of a sole trader business. (10 marks)
- (B) Identify **three** sources which Mary may use to get new ideas for her business. (15 marks)
- (C) Draft and label a Product Life Cycle diagram. (20 marks)

Product Screening, Concept Development and Prototype Development are some of the stages in the New Product/Service Development Process.

- (D) Explain any **two** of the stages listed above. (20 marks)
- (E) Explain the term Job Production and use an example to illustrate your answer. (10 marks)
- (75 marks)**

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