

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 – Higher Level
(400 marks)

TUESDAY, 10 JUNE - AFTERNOON 2.00 p.m. to 5.00 p.m.

CANDIDATES ARE REQUIRED TO ANSWER:

(A) Eight questions from SECTION 1

AND

(B) The Applied Business Question in 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	

Please note allocation of marks per question.

Calculators may be used.

Make and Model of calculator used:

REMEMBER TO RETURN THIS QUESTION PAPER WITH THE ANSWER BOOK YOU USE FOR ANSWERING SECTIONS 2 AND 3

SECTION 1
(80 marks)
SHORT ANSWER QUESTIONS

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

Remember to return this question paper with your answer book.

1. (a) Intrapreneurship is: _____

(b) State **two** examples of intrapreneurship:

(i) _____

(ii) _____

2. In relation to the law of contract distinguish between the terms 'offer' and 'invitation to treat'.

3. Differentiate between Working Capital and Equity Capital.

4. (a) Explain what is meant by the term 'Open Economy'. _____

(b) Outline its possible impact on Ireland's economic development. _____

5. Draft a typical Agenda for the AGM of a Private Limited Company.

<i>Agenda</i>	
1.	_____
2.	_____
3.	_____
4.	_____
5.	_____

6. Distinguish between Strategic Planning and Tactical Planning. Give **one** example in each case.

7. (a) Identify a suitable source of finance for the purchase of a delivery van in a new business enterprise.

(b) Give **two** reasons for your choice.

(i) _____

(ii) _____

8. (a) Outline **two** benefits of community initiatives in the development of a local community.

(i) _____

(ii) _____

(b) State **two** functions of either FÁS **OR** the County Enterprise Boards (CEBs).

(i) _____

(ii) _____

9. List **five** grounds under which **employment discrimination** is outlawed in Ireland.

(i) _____

(ii) _____

(iii) _____

(iv) _____

(v) _____

10. (a) John O'Neill owned a house worth €350,000 and had insured it for €300,000 when a fire caused a partial loss of €63,000. Calculate the amount the insurance company will pay. **(Show your workings.)**

Workings

(b) Name the principle of insurance that applies in (a) above.

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SECTION 2 (80 marks)

This is a compulsory question based on Units 5, 6, and 7

Applied Business Question

Fruit First Ltd

Fruit First Ltd produces a range of 'smoothies', a fruit drink made from crushed fruit. Mary Ryan, a food scientist in the food industry, identified a gap in the market for an Irish supplier of natural fruit drinks. In her spare time she produced a batch of smoothies, supplying samples to local shops. Encouraged by the favourable responses, she left her job and set up Fruit First Ltd in 2001.

The business, based in the midlands, sources fresh fruit locally and from abroad. Bringing new investors on board in 2006 enabled Fruit First to invest in larger premises, doubling its production capacity. Profits are approaching €1million and the business now employs thirty full-time workers.

The chilled drink products come in attractively designed cartons of different sizes, supplied by a local firm. Fruit First vans deliver the products to retail outlets, nutrition shops and fitness centres nationwide. Mary's focus on producing a quality product has allowed her command a higher price than her competitors. Annual investment in research and development has led to a widening of the product range and development of a green image for the business. Initially Mary used local supermarkets to encourage consumers to taste the products. Over time Fruit First's marketing strategies expanded and the brand has now become associated with 'National Healthy Heart Day'.

As the leading Irish supplier of smoothies, further expansion in the small Irish market is unlikely. Mary sees the potential to grow the business and she is considering entering the UK market initially and subsequently the wider EU market. While recognising the high cost base in Ireland and the perishable nature of the product, Mary has begun developing an export strategy. Fruit First is in discussion with a leading food retailing chain in relation to supplying shops throughout the UK. Mary views this as an opportunity and a necessary step before entering the wider EU marketplace.

- (A) Evaluate the elements of the marketing mix for Fruit First Ltd. (30 marks)
- (B) Discuss how Fruit First Ltd benefits the local **and** national economy. Refer to the above text in your answer. (25 marks)
- (C) You have been appointed to advise Fruit First Ltd on entering international markets. Outline your analysis of the opportunities **and** challenges facing Fruit First Ltd and make an appropriate recommendation. (25 marks)
(80 marks)

SECTION 3

(240 marks)

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

The quality of the relationship between stakeholders determines the success of any enterprise.

- (A) Describe a competitive relationship and a co-operative relationship between two producers in the same line of business. Use appropriate examples to support your answer. (15 marks)
- (B) (i) Illustrate the circumstances where retailers would be in breach of the Sale of Goods and Supply of Services Act 1980.
- (ii) Outline remedies available to consumers for breaches of the Act. (25 marks)
- (C) Evaluate the role of the Labour Court in dealing with industrial disputes. (20 marks)
- (60 marks)**

Domestic / International Environment

Question 2

- (A) (i) Explain the term 'Transnational Company' (TNC).
- (ii) Discuss the reasons for the development of transnational companies in Ireland. (20 marks)
- (B) "As global warming becomes a reality for the world, there is an increasing concern for the protection of the environment". Illustrate how businesses in Ireland today could become more environmentally responsible. (20 marks)
- (C) Evaluate, using examples, the arguments in favour **OR** against the privatisation of commercial state enterprises in Ireland. (20 marks)
- (60 marks)**

Domestic / International Environment

Question 3

- (A) Discuss the impact of the Single European Market (SEM) on Irish business. (25 marks)
- (B) Explain the functions of any **two** of the following European institutions.
- (i) The European Parliament
 - (ii) The Council of Ministers
 - (iii) The European Commission
- (20 marks)
- (C) (i) In the context of the European Union (EU) distinguish between a Directive and a Regulation.
- (ii) Choose **one** example of either and describe its purpose.
- (15 marks)
- (60 marks)**

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SECTION 3

Part 2

Enterprise

Enterprise / Managing

Question 4

- (A) “Being decisive, creative and being prepared to take risks are personal characteristics often associated with entrepreneurs”.
Discuss these characteristics and support your answer with examples. (15 marks)
- (B) Describe the barriers to effective communication in a business enterprise and suggest methods a business might consider to overcome **two** of these barriers. (25 marks)
- (C) Evaluate the contributions that Stock Control and Credit Control make to the successful management of a business. Use examples in your answer. (20 marks)
- (60 marks)**

Managing

Question 5

People are at the heart of every successful business.

- (A) Performance Appraisal, Training & Development and Managing Employer and Employee Relationships are important functions of a Human Resource Manager.
Explain the functions underlined above and analyse the benefits of **two** of the functions for the business organisation. (25 marks)
- (B) Outline the different methods of reward used to motivate employees in a business. (15 marks)
- (C) Describe **two** strategies that a business organisation can use to manage change. Use examples to support your answer. (20 marks)
- (60 marks)**

Business in Action

Question 6

- (A) “Managing a business is similar to managing a household in the areas of finance and taxation.”
Discuss this statement, using examples to support your answer. (20 marks)
- (B) (i) Explain the term ‘risk management’.
(ii) Illustrate **three** methods that can be used to reduce risk in a business. (20 marks)
- (C) Illustrate the impact of new technologies on business opportunities. (20 marks)
- (60 marks)**

Business in Action

Question 7

- (A) Outline the benefits for a new business of preparing a Business Plan. (15 marks)
- (B) Motor Manufacturing Ltd. is considering the introduction of a new product. The business has provided the following figures:
- | | |
|--------------------------------|---------------------|
| <i>Fixed Costs</i> | <i>€200,000</i> |
| <i>Variable Cost per Unit</i> | <i>€5</i> |
| <i>Selling Price</i> | <i>€15</i> |
| <i>Forecast Output (Sales)</i> | <i>30,000 Units</i> |
- (i) Illustrate by means of a break-even chart:
- (a) The Break - Even Point.
 - (b) Profit at forecast output.
 - (c) The Margin of Safety at forecast output.
- (ii) Explain ‘Margin of Safety’. (30 marks)
- (C) Evaluate the importance of ‘Feasibility Study ‘and ‘Prototype Development’ in the development process of a new product of your choice. (15 marks)
- (60 marks)**

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