

**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, 2015

**BUSINESS – ORDINARY LEVEL**

(400 marks)

THURSDAY 11 JUNE 2015 – MORNING 9.30 - 12.00

**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.**

**Calculators may be used.**

**Make and Model of Calculator 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 ANSWER BOOK  
YOU USE FOR ANSWERING SECTION 2**

**SECTION 1**  
**(100 marks)**

**SHORT ANSWER QUESTIONS**

**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 the space provided.)

ATM	
PIN	
DIRT	

2. Explain the following entrepreneurial characteristics:

- (i) Innovative: \_\_\_\_\_  
\_\_\_\_\_
- (ii) Risk taker: \_\_\_\_\_  
\_\_\_\_\_

3. Complete the following table, which refers to examples of Promotion Techniques, by placing a tick (✓) in the correct box for each example.

<b>Examples</b> ↓	<b>Promotion Techniques</b>		
	<b>Advertising</b>	<b>Sales Promotion</b>	<b>Public Relations</b>
Buy One Get One Free			
Billboards			
Press Conference			
Free Samples			

4. Explain the term 'Limited Liability'.

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5. Name **two** European Union (EU) institutions:

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

6. The following information is available from the final accounts of Brandon Ltd on 31/12/2014: Calculate the Net Profit Margin. (Show your workings.)

Net Profit	€110,000	<b>FORMULA</b>	<b>WORKINGS</b>
Sales	€880,000		
<b>Net Profit Margin</b>			
<b>Answer:</b>	_____ %		

7. List **two** grounds under the Law of Contract, where a person **has** the Capacity to Contract (i.e. to enter into a legal contract).

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

8. Choose the appropriate words to complete the sentence below (one word does not apply):

**Standardised**

**Strategic**

**Single**

Global businesses view the world as one \_\_\_\_\_ market and use a global or adapted marketing mix to sell a \_\_\_\_\_ product.

9. State **TRUE** or **FALSE** after each of the following statements on Theories of Motivation:

STATEMENT	TRUE or FALSE
McGregor's Theory on motivation is known as Theory X and Theory Y.	
Physiological/Physical needs relate to the need for a safe secure job.	
Highly motivated employees lead to low productivity in the workplace.	
Social/Acceptance needs relate to the need for food and shelter.	
Maslow believed that as one need is satisfied the next becomes the motivator.	

10. Outline the purpose of the following insurance forms:

(i) Proposal Form:

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(ii) Claim Form:

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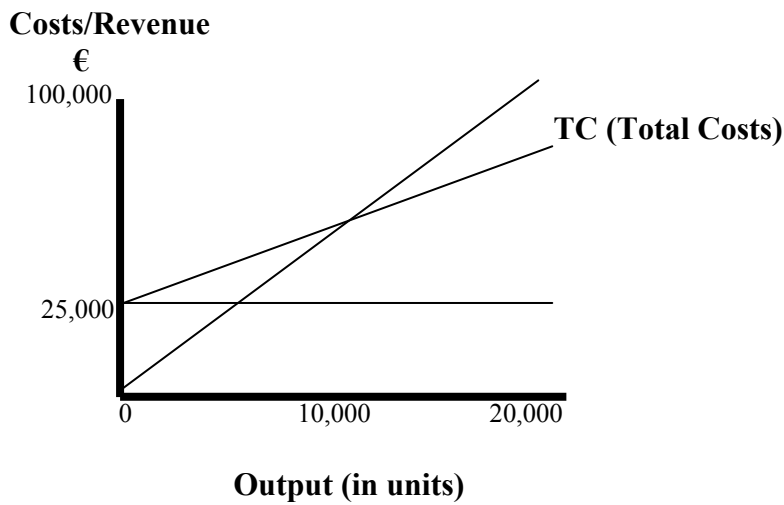
11. Complete the break-even chart below by placing the following labels in the correct position on the chart:

Fixed Costs (FC)

Total Revenue (TR)

Break-even Point (BEP)

**Break-even Chart**



12. List the **three** missing elements of the Marketing Mix:

(i)

(ii)

(iii)

(iv)

13. Column 1 is a list of *business terms*. Column 2 is a list of *possible explanations* for these terms. (One explanation has no match.)

Match the two lists by placing the letter of the correct explanation under the relevant number below.

1	2	3	4	5

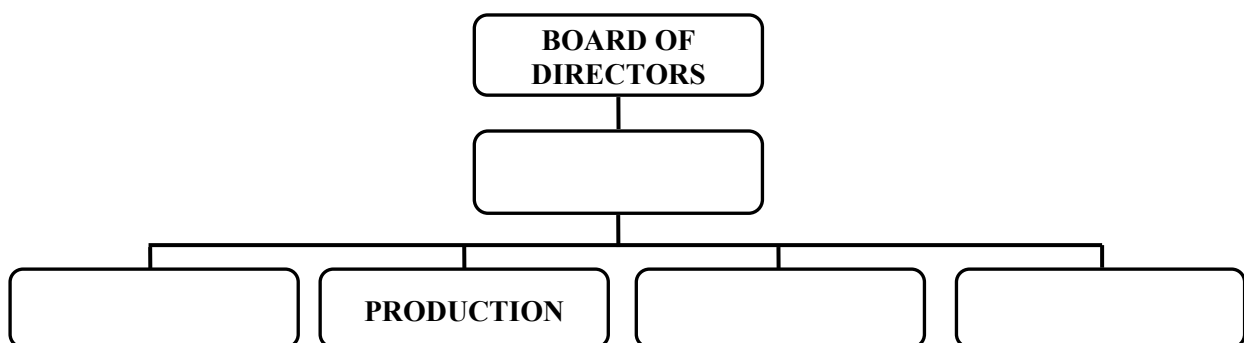
Column 1: Business Terms	Column 2: Explanations
1. Shareholders	A. Buy goods and services for their own use.
2. Interest Groups	B. Is involved with planning, organising and controlling activities within a business on a daily basis.
3. Board of Directors	C. Provide raw materials required for the production of goods.
4. Consumers	D. Represent people with a common interest and lobby business on their behalf.
5. Suppliers	E. Oversees the operations/activities of a company.
	F. Invest money in a business and become owners.

14. Tick the correct box (✓) to indicate the Act which governs how information is stored about people:

Consumer Protection Act 2007

Data Protection Act 1988/2003

15. Complete the functional organisation structure of a Private Limited Company with four departments:



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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 information supplied and answer the questions which follow.

#### Headline

Ava Darcy purchased headphones from Headline Electronic store for €195.99. After two weeks the speaker in her left ear started to skip and then stopped completely. She returned to the store to complain as the headphones were not of merchantable quality.

- (A) State the law that protects Ava in this case. (10 marks)
- (B) Outline **two** forms of redress that Ava is entitled to in the above case. (15 marks)
- (C) Explain **two** benefits of Ava taking her case to the Small Claims Court. (15 marks)
- (D) Outline **two** reasons why the advertisements below are unlawful under the Employment Equality Act 1998. (15 marks)

1. **Hotel Receptionist required  
- must be Irish and speak  
fluent English**

2. **Van driver needed to deliver  
goods across Ireland – male  
driver preferable**

- (E) (i) Outline **two** benefits to an employee of being a member of a Trade Union.
- (ii) State **one** example of a Trade Union in Ireland. (20 marks)
- (75 marks)

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## DOMESTIC / INTERNATIONAL ENVIRONMENT

### QUESTION 2

Read the information supplied and answer the questions which follow.



facebook

twitter

Google, Facebook, Twitter and many other large organisations in the Tertiary (Services) sector have set up European headquarters in Ireland. IDA Ireland is the state agency responsible for attracting Multinational Companies (MNCs) to Ireland.

- (A) Name the **two** other sectors/categories of industry and state **one** example of each. (15 marks)
  - (B) List the **four** factors of production and explain **one** of them. (15 marks)
  - (C) Outline **three** reasons why Multinational Companies (MNCs) locate in Ireland. (20 marks)
  - (D) Explain **one** service provided by IDA Ireland to foreign MNCs. (10 marks)
  - (E) Outline **two** benefits MNCs bring to the Irish economy. (15 marks)
- (75 marks)**

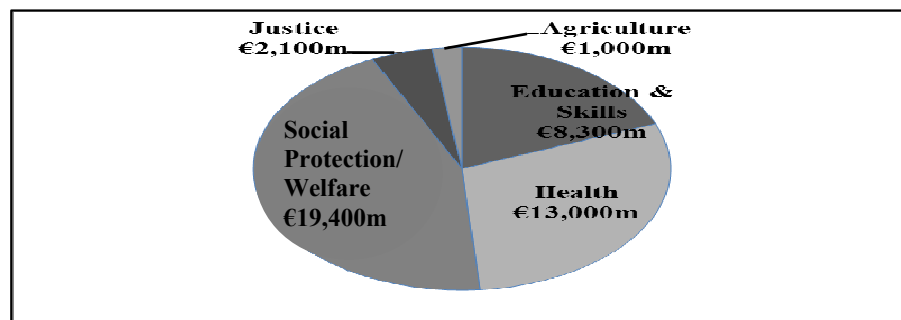
## DOMESTIC ENVIRONMENT

### QUESTION 3

Read the information supplied and answer the questions which follow.

#### Irish Government Expenditure in 2015

The pie chart below, shows the proposed Government expenditure for 2015 on the five largest areas of expenditure:



- (A) List **two** examples of Government expenditure on Education. (10 marks)
  - (B) Outline **two** reasons for the high level of expenditure on Social Protection/Welfare. (15 marks)
  - (C) List **three** taxes collected by the Government. (15 marks)
  - (D) Outline **two** effects on the Government's Budget of a growth in employment. (15 marks)
  - (E) Explain **two** benefits increased employment brings to a local community. (20 marks)
- (75 marks)**

## PART 2

### ENTERPRISE / MANAGING

#### QUESTION 4

Read the information supplied and answer the questions which follow.

#### *Ashfield Tidy Towns*

The people of Ashfield Village have decided to enter the National Tidy Towns competition, after it was suggested by local entrepreneur Alice Fitzgerald. Due to her democratic leadership style, Alice was appointed Chairperson of the Tidy Towns Committee and she will lead all volunteer teams in achieving the committee's objectives. The next monthly meeting of the committee will be held on Friday 26<sup>th</sup> June 2015 at 7.30 pm, in Ashfield Community Centre, to discuss sources of finance for improvements to the local park.

- (A) Outline the role of an entrepreneur. (10 marks)
  - (B) Outline how Alice's enterprising skills/characteristics could benefit Ashfield Tidy Towns Committee. (15 marks)
  - (C) Explain the difference between a democratic and an autocratic leader. (15 marks)
  - (D) Draft the Notice and Agenda of the Ashfield Tidy Towns Committee meeting, sent by the Secretary, Brian O'Donnell. **(The Agenda must contain at least four items.)** (20 marks)
  - (E) Explain **two** benefits of teamwork. (15 marks)
- (75 marks)**

### MANAGING / BUSINESS IN ACTION

#### QUESTION 5

Read the information supplied and answer the questions which follow.

#### **INSURANCEDEPOT.COM**

InsuranceDepot.com is an insurance broker based in Cork city. It employs 8 sales staff in the Cork office. Due to increased online demand they are currently recruiting 3 more sales staff. All sales staff are paid a basic wage plus commission and receive benefit-in-kind.

- (A) Explain **two** types of insurance that InsuranceDepot.com might sell to its customers. (15 marks)
  - (B) Explain **two** of the following Principles of Insurance and give **one** example in **each** case:  
(i) Indemnity                      (ii) Insurable Interest                      (iii) Utmost Good Faith (20 marks)
  - (C) Outline the role of an *assessor* in Insurance. (10 marks)
  - (D) Outline **two** methods/ways of recruiting new employees. (15 marks)
  - (E) Explain the terms *commission* **and** *benefit-in-kind*, and give **one** example in **each** case. (15 marks)
- (75 marks)**



## MANAGING / BUSINESS IN ACTION

### QUESTION 6

Read the information supplied and answer the questions which follow.

#### ***Mason Motors Ltd.***

David Mason operates a car dealership in Co. Kildare. He sells both new and used cars and also provides mechanic services. He is currently thinking of expanding the business. He will require long term finance for the expansion. David has recently met with his local Bank Manager and presented his Business Plan.

- (A) Outline **two** reasons why David Mason might wish to expand his business. (15 marks)
- (B) The following net profit figures are available for Mason Motors Ltd. for the period 2010-2014:
- | Year       | 2010    | 2011    | 2012    | 2013     | 2014     |
|------------|---------|---------|---------|----------|----------|
| Net Profit | €90,000 | €70,000 | €60,000 | €100,000 | €120,000 |
- Illustrate the above information on a Bar Chart. (You may use graph paper.) (15 marks)
- (C) Outline **two** benefits of using visual communication, such as a bar chart, to present this information to the Bank Manager. (15 marks)
- (D) Explain **two** sources of long term finance David Mason could use to expand his business. (15 marks)
- (E) Explain **two** reasons why stock control is very important in Mason Motors Ltd. (15 marks)
- (75 marks)**

## BUSINESS IN ACTION

### QUESTION 7

Read the information supplied and answer the questions which follow.

#### **babypressie.ie**

Amy McDonald set up her business after having her second child. She saw a gap in the market for personalised baby gifts. Having carried out market research, she decided to manufacture and sell online. She now works from home and distributes her products to customers throughout Ireland.



- (A) Explain the term *target market*. (10 marks)
- (B) Explain **two** advantages to Amy of selling her products online. (15 marks)
- (C) Outline **three** factors Amy must consider before setting the price of her products. (20 marks)
- (D) Outline **two** benefits of carrying out market research. (15 marks)
- (E) Explain the term *channels of distribution* and draft the channel used by babypressie.ie. (15 marks)
- (75 marks)**

**Question 8 is on the next page.**

## MANAGING / BUSINESS IN ACTION

### QUESTION 8

Read the information supplied and answer the questions which follow.



The market for mobile phones, tablets and PCs changes rapidly. The major technology companies, such as Apple, Samsung and Sony, are constantly coming up with new ideas for devices, resulting in older models becoming obsolete. Expensive research and development is carried out to create the devices which are then mass produced for the world market.

- (A) Explain what is meant by the term *mass production* and give **one** example. (10 marks)
- (B) Outline **three** benefits of branding for business. (20 marks)
- (C) Draft and label a Product Life Cycle. (15 marks)
- (D) Explain the following **two** stages in the Product Development Process:  
• product screening  
• prototype development. (15 marks)
- (E) Outline **two** factors technology companies must consider before choosing a method of advertising their products. (15 marks)
- (75 marks)**

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