



Coimisiún na Scrúduithe Stáit
State Examinations Commission

Leaving Certificate 2022

Marking Scheme

Business

Ordinary Level

Note to teachers and students on the use of published marking schemes

Marking schemes published by the State Examinations Commission are not intended to be standalone documents. They are an essential resource for examiners who receive training in the correct interpretation and application of the scheme. This training involves, among other things, marking samples of student work and discussing the marks awarded, so as to clarify the correct application of the scheme. The work of examiners is subsequently monitored by Advising Examiners to ensure consistent and accurate application of the marking scheme. This process is overseen by the Chief Examiner, usually assisted by a Chief Advising Examiner. The Chief Examiner is the final authority regarding whether or not the marking scheme has been correctly applied to any piece of candidate work.

Marking schemes are working documents. While a draft marking scheme is prepared in advance of the examination, the scheme is not finalised until examiners have applied it to candidates' work and the feedback from all examiners has been collated and considered in light of the full range of responses of candidates, the overall level of difficulty of the examination and the need to maintain consistency in standards from year to year. This published document contains the finalised scheme, as it was applied to all candidates' work.

In the case of marking schemes that include model solutions or answers, it should be noted that these are not intended to be exhaustive. Variations and alternatives may also be acceptable. Examiners must consider all answers on their merits, and will have consulted with their Advising Examiners when in doubt.

Future Marking Schemes

Assumptions about future marking schemes on the basis of past schemes should be avoided. While the underlying assessment principles remain the same, the details of the marking of a particular type of question may change in the context of the contribution of that question to the overall examination in a given year. The Chief Examiner in any given year has the responsibility to determine how best to ensure the fair and accurate assessment of candidates' work and to ensure consistency in the standard of the assessment from year to year. Accordingly, aspects of the structure, detail and application of the marking scheme for a particular examination are subject to change from one year to the next without notice.

Marking Scheme and Expected Responses for use with the Marking Scheme.

In considering the marking scheme, the following points should be noted:

- The expected responses presented are not exclusive. Marks may be awarded for any other correct answers.
- The expected responses in many cases contain key phrases which must appear in the candidate's answer in order to merit the assigned marks.
- Further relevant points of information presented by candidates are marked and rewarded on their merits.
- The detail required in any answer is determined by the context and the manner in which the question is asked and by the number of marks assigned to the answer in the examination paper. Requirements may therefore vary from year to year.

The table below contains information about annotations used for marking throughout the exam paper.

Annotation	USE	Marks (if applicable)
✓ ₁	Valid information	1
✓ ₂	Valid information	2
✓ ₃	Valid information	3
✓ ₄	Valid information	4
✓ ₅	Valid information	5
✓ ₆	Valid information	6
✓ ₇	Valid information	7
✓ ₈	Valid information	8
✓ ₉	Valid information	9
✓ ₁₀	Valid information	10
✓ ₁₁	Valid information	11
✓	Surplus answer or part of answer	N/A
0	Incorrect answer	0
⌈	Page seen by examiner / information not valid	N/A

SECTION 2 -225 MARKS

PART 1

Question 1

(A)	Consumer Law :	2m + 2m + 2m + 2m +2m	10
(B)	Two provisions	8 marks (4m + 4m) 7 marks (4m + 3m)	15
(C)	Two benefits	10 marks (7m + 3m) 5 marks (4m + 1m)	15
(D)	Three grounds:	@ 5 marks each (4m + 1m)	15
(E)	(i) Three reasons:	Two @ 6 marks each (4m + 2m) One @ 3 marks each (2m + 1m)	20
	(ii) One type	5 marks (4m + 1m)	
	Available Marks		75

Question 2

(A)	Explanation:	8 marks (4m + 4m)	15
	One impact:	7 marks (4m + 3m)	
(B)	Two impacts:	8 marks (4m + 4m) 7 marks (4m + 3m)	15
(C)	Two ways:	8 marks (4m + 4m) 7 marks (4m + 3m)	15
(D)	Two ways:	8 marks (4m + 4m) 7 marks (4m + 3m)	15
(E)	Two benefits	8 marks (4m + 4m) 7 marks (4m + 3m)	15
	Available Marks		75

Question 3

(A)	Explanation:	6 marks (3m + 3m)	10
	Example:	4 marks	
(B)	Two reasons:	8 marks (4m + 4m) 7 marks (4m + 3m)	15
(C)	Formula:	2m	15
	Calculation:	2m + 2m + 2m + 2m	
	Surplus:	5 marks	
(D)	Two challenges:	8 marks (4m + 4m) 7 marks (4m + 3m)	15
(E)	Three benefits:	7 marks (4m + 3m) 7 marks (4m + 3m) 6 marks (4m + 2m)	20
	Available Marks		75

Question 4

(A)	(i) Explanation: (ii) One impact on two Stakeholders:	5 marks (3m + 2m) 8 marks (4m + 4m) 7 marks (4m + 3m)	20
(B)	Role: Example:	10 marks (5m + 5m) 5 marks	15
(C)	Three explanations:	5 marks (3m + 2m) 5 marks (3m + 2m) 5 marks (3m + 2m)	15
(D)	Two methods:	8 marks (4m + 4m) 7 marks (4m + 3m)	15
(E)	One function:	10 marks (5m + 5m)	10
	Available Marks		75

PART 2**Question 5**

(A)	Three characteristics/ skills:	@ 5m each (3m + 2m)	15
(B)	Two risks: Two rewards:	@ 5m each (3m + 2m) @ 5m each (3m + 2m)	20
(C)	Two reasons:	10 marks (7m + 3m) 5 marks (4m + 1m)	15
(D)	Two benefits:	10 marks (7m + 3m) 5 marks (4m + 1m)	15
(E)	Two advantages:	@ 5m each (3m + 2m)	10
	Available Marks		75

Question 6

(A)	(i) Explain two sources: (ii) One advantage of each:	@ 7m each (4m + 3m) 2 @ 3m each	20
(B)	Three types :	@ 5m each (3m + 2m)	15
(C)	Explanation:	10m (5m + 5m)	10
\	Chart	Title 1m Axis 4m (2m + 2m) Bars 5 @ 2m each	15
(E)	Two uses :	8 marks (4m + 4m) 7 marks (4m + 3m)	15
	Available Marks		75

Question 7

(A)	Explanation: Explanation:	3m + 2m 3m + 2m	10
(B)	Two benefits :	8 marks (4m + 4m) 7 marks (4m + 3m)	15
(C)	(i) Calculation: (ii) Two deductions:	2m + 2m + 2m + 2m + 2m @ 5m each	20
(D)	Two benefits :	8 marks (4m + 4m) 7 marks (4m + 3m)	15
(E)	Two reasons :	8 marks (4m + 4m) 7 marks (4m + 3m)	15
	Available Marks		75

Question 8

(A)	(i) Explanation: (ii) Two benefits:	5m (3m + 2m) 8 marks (4m + 4m) 7 marks (4m + 3m)	20
(B)	Three sources:	@ 5m each (3m + 2m)	15
(C)	(i) Two headings: (ii) Two benefits:	@ 3m each @ 7m each (4m + 3m)	20
(D)	Explanation: Reference:	6m (3m + 3m) 4 marks	10
(E)	Two services:	@ 5m each	10
	Available Marks		75

Question 9

(A)	Diagram:	5 stages @ 2marks each 2 marks for curve 3 marks for labels	15
(B)	Two benefits:	8 marks (4m + 4m) 7 marks (4m + 3m)	15
(C)	Explanation and example:	4m + 3m + 3m	10
(D)	(i) Explanation: (ii) Two methods:	5m (3m + 2m) 8 marks (4m + 4m) 7 marks (4m + 3m)	20
(E)	Two media and reason :	8 marks (4m + 4m) 7 marks (4m + 3m)	15
	Available Marks		75

SECTION 2

PART 1

QUESTION 1

	Possible Responses	Marks
(A)	Identify the consumer law that protects Jamie. The Sale of Goods and Supply of Services Act 1980	10m 2+2+2+2+2
(B)	Outline two provisions of the law you have named above which are relevant to Jamie's situation. <ul style="list-style-type: none"> The retailer cannot use signs which limit consumer rights. The Sale notice which Jamie read was not fulfilling consumer law. Jamie has the right to proper redress, e.g., repair, refund or replacement. Goods must be of merchantable quality – of a reasonable standard or quality. The jersey was ripped so was not of merchantable quality or fit for sale. OR <ul style="list-style-type: none"> Goods must be fit for the purpose intended – the product must do the exact job it was designed for. The jersey was not suitable to wear with a rip in it. 	15m 8m (4 + 4) 7m (4 + 3)
(C)	Explain two benefits to Jamie of taking his case to the Small Claims Procedure/Small Claims Court. <ul style="list-style-type: none"> Inexpensive: It only costs €25 to take a case to the Small Claims Court. No solicitor required: The consumer does not have to pay for legal representation, they can represent themselves. Convenient: The case is heard in the local district court so no need to travel. The application can be made online. Fast resolution: The case being heard locally can lead to the complaint being resolved quickly, usually within six weeks. Fair: The judge listens to both sides and gives findings. The judge is impartial. The Small Claims Court procedure is designed to deal with claims up to €2,000. 	15m 10m (7 + 3) 5m (4 + 1)

(D)	<p>Outline three grounds (other than gender) on which discrimination is outlawed under the Employment Equality Act 1998-2015.</p> <ul style="list-style-type: none"> • Age: younger and older employees cannot be treated differently. • Religious beliefs: a person's religion, background, outlook, or none. • Sexual Orientation: gay, lesbian, bisexual and heterosexual. • Disability: physical, intellectual, learning, or emotional disabilities. • Civil Status: single, married, separated, divorced, widowed or in a civil partnership. • Family Status: parents or employees without children should not be treated in a less favourable manner. • Race: skin colour, nationality, or ethnic origin. • Membership of Travelling Community. 	<p>15m</p> <p>5m (4+1)</p> <p>5m (4+1)</p> <p>5m (4+1)</p>
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(E)	<p>(i) Explain three reasons other than discrimination for an industrial relations dispute in the workplace.</p> <ul style="list-style-type: none"> • Wages: workers may take industrial action over wages. They may use different pay claims, e.g., cost of living claim, comparability claim or relativity claim. • Working conditions: unsafe working conditions, unsafe equipment, poor hygiene and inadequate heating can lead to industrial disputes. • New work practices/new technology: the introduction of new technology or change in work practices may result in a dispute. • Reduction in working hours or being asked to work irregular hours. • Demarcation issues: a dispute over who does which task in the workplace. • Redundancies: if workers feel that unfair procedures for selection are being used or if redundancy payments are not adequate. • Trade Union recognition: employees may take industrial action if their employer refuses to engage with their union. • Unfair dismissal: if an employee feels they were dismissed on illegal grounds e.g., race, beliefs, age, sexuality. 	<p>20m</p> <p>6m (4+2)</p> <p>6m (4+2)</p> <p>3m (2+1)</p>
	<p>(ii) Outline one type of industrial action available to employees involved in an industrial dispute with an employer.</p> <ul style="list-style-type: none"> • Strike: where the employees do not enter their workplace and do not do their duties. • Work- to- rule: where employees only undertake the exact jobs written in their job description or contract of employment. • Overtime ban: where workers refuse to do overtime. This can cause major disruption, leading to lost orders and lost sales, especially at peak trading times, e.g., a toy shop at Christmas. • Token Stoppage: a brief stoppage of work by the workers to highlight their frustration. It highlights their intention to carry the threat of further, more serious action, if agreement is not reached. • Go-slow: employees work more slowly and less effectively. 	<p>5m (4+1)</p>

QUESTION 2:

	Possible Responses	Marks
(A)	<p>(i) Explain the term Corporation Tax.</p> <p>A tax/levy paid by companies on their annual profits. The rate in Ireland is 12.5% or 15%, depending on a company's annual revenue.</p>	<p>15m</p> <p>8m (4 + 4)</p>
	<p>(ii) Outline one impact an increase in Corporation Tax may have on businesses/companies in Ireland.</p> <ul style="list-style-type: none"> • An increase in corporation tax means business would keep less profit which could lead to an increase in prices. • Higher taxes on company profits may discourage enterprise and investment in Ireland. • An increase in corporation tax could result in owners/shareholders less likely to reinvest and expand their businesses. • It may result in some transnationals deciding to relocate their business out of Ireland. 	<p>7m (4 + 3)</p>
(B)	<p>Outline two impacts, other than taxation, the Government has on Irish businesses.</p> <ul style="list-style-type: none"> • Grant aid – Government provides grant aid to businesses for start-up, expansion, R&D etc. • Infrastructure – Government provide infrastructure which allow businesses to operate efficiently e.g., transport links, communication utilities etc. • Education & Training – Government funds education and training which benefit business, who can access a skilled workforce • Regulation – Government implement legislation which regulates how business can operate e.g., Companies Act, Employment law etc. 	<p>15m</p> <p>8m (4 + 4)</p> <p>7m (4 + 3)</p>

(C)	<p>Outline two ways that Aldi can behave ethically towards its employees.</p> <ul style="list-style-type: none"> • No discrimination in the workplace – treat all employees fairly. • Obey all employment law such as the Unfair Dismissals Act. • Provide fair wages. At least minimum wage or living wage. • Provide safe and healthy work conditions. • Provide secure job/employment contracts. 	<p>15m</p> <p>8m (4 + 4)</p> <p>7m (4 + 3)</p>
(D)	<p>Describe two ways that a supermarket can be environmentally responsible.</p> <ul style="list-style-type: none"> • Minimise waste/safe disposal of waste – reduce packaging and use environmentally friendly packaging. • Conduct regular environmental audits. • Use eco-friendly delivery vans such as electric or hybrid cars. • Awareness – promote awareness amongst staff of the importance of being environmentally friendly. • Reduce carbon footprint by sourcing materials locally. 	<p>15m</p> <p>8m (4 + 4)</p> <p>7m (4 + 3)</p>
(E)	<p>Explain two benefits to a local community of a new business such as ALDI setting up in the area.</p> <ul style="list-style-type: none"> • Creates jobs/employment for people in the area – improves quality of life. • Makes available a wider variety of goods at competitive prices to the local community. • Improves standard of living in area – staff wages spent locally. • Spin-off effect – other businesses supply services to the new business. • Sponsorship of local events/teams/clubs. • Generates sales/business in the area – more money spent in local shops, cafes. • Improved infrastructure – more investment in roads/services. 	<p>15m</p> <p>8m (4 + 4)</p> <p>7m (4 + 3)</p>

QUESTION 3:

	Possible Responses	Marks
(A)	<p>Explain the term visible import and give one example of a visible import for Ireland.</p> <p>A visible import is when Irish people purchase a physical good from a business in another country. Money leaves Ireland and goes to another country.</p> <p>Example:</p> <ul style="list-style-type: none"> • An Irish supermarket buying fruit from Spain. • Irish consumers buying wine from France. • An Irish department store buys clothes from America. • Irish consumers buying cars from the UK. 	<p>10m</p> <p>6m (3 + 3)</p> <p>4</p>
(B)	<p>Outline two reasons why goods and services are imported into Ireland.</p> <ul style="list-style-type: none"> • Production - We do not produce certain products for example cars. • Climate - We do not have the climate to grow certain crops. • Natural resources - We do not have certain natural resources such as oil and gas which businesses and consumers need. • Consumer choice - consumers are provided with a wider variety of products. • Growth in e-commerce – It is now easier for consumers to buy goods from other countries. It has been simplified due to the internet and smart technology. 	<p>15m</p> <p>8m (4 + 4)</p> <p>7m (4 + 3)</p>
(C)	<p>Using the figures below, calculate the Balance of Trade for April 2021. Show your workings</p> <p style="text-align: center;">Balance of Trade = Visible Exports - Visible Imports</p> <p style="text-align: center;">= €12,706m – €8,053m</p> <p style="text-align: center;">= €4,653m</p> <p>State whether it is a surplus or deficit: Surplus</p>	<p>15m</p> <p>2</p> <p>2 + 2 + 2</p> <p>1 + 1</p> <p>5</p>

(D)	<p>Describe two challenges for Irish businesses involved in international trade.</p> <ul style="list-style-type: none"> • Language difficulties - difficulties when translating marketing/advertising materials. • Cultural differences – different customs/traditions, e.g., people in India do not eat beef. • Distribution costs – Increased transportation costs due to distance. • Currency fluctuations – Currency changes may affect competitiveness and can lead to a decline in the demand for Irish exports. • Competition – competition from domestic producers who produce high quality goods. • Taxes and duties charged by other countries outside the EU may increase selling price and reduce demand. 	<p>15m</p> <p>8m (4 + 4)</p> <p>7m (4 + 3)</p>
(E)	<p>Outline three benefits for Ireland of remaining part of the European Union.</p> <ul style="list-style-type: none"> • Single European Market/Free trade – free movement of goods and services between member states. There are no taxes on goods and services sold between EU countries. • Free movement of people – EU citizens can live and work in any EU country without the need for visas. This gives Irish business access to skilled labour. • Grant aid – the EU provides huge financial supports to EU countries and Ireland has received billions in structural funds from EU. e.g., CAP has benefited farmers. • Access to large market – the EU is one of the largest trading blocs in the world and Irish businesses have access to over 400 million people. 	<p>20m</p> <p>7m (4 + 3)</p> <p>7m (4 + 3)</p> <p>6m (4 + 2)</p>

QUESTION 4

	Possible Responses	Marks
(A)	<p>(i) Explain the term Stakeholder.</p> <p>A Stakeholder is anyone who is interested in or affected by what happens in a business.</p> <p>(ii) Outline the impact of the fire at Glenisk factory on two of its stakeholders.</p> <ul style="list-style-type: none"> Investors/shareholders/owners – will not receive adequate dividend or any profit Employees – potential temporary layoffs or job losses Consumers – no access to Glenisk products that they usually purchase Suppliers – no buyer for their raw materials e.g., farmers have no other buyers for their milk as the factory is not operational Government – will not receive VAT and Corporation Tax returns due to closure Management/Employer – high level of pressure to get business operational again Local Community – local businesses may suffer as a result of employees being temporarily laid off. 	<p>20m</p> <p>5m (3 + 2)</p> <p>8m (4 + 4)</p> <p>7m (4 + 3)</p>
(B)	<p>Outline, using an example, the role of interest groups.</p> <p>An interest group is an organisation which represents people with a common interest. They lobby Government, the EU, and other organisations and decision makers on behalf of their members.</p> <p>Example: The IFA represents Irish Farmers and lobbies the Government and the EU on their behalf.</p>	<p>15m</p> <p>10m (5 + 5)</p> <p>5m</p>

(C)	<p>Explain, with reference to supplied text, three elements of a valid contract.</p> <p>(i) (Offer and Acceptance (Agreement)) – one party makes an offer to another party. This offer is accepted unconditionally by the other party.</p> <p><i>Sinead and Patrick offered €320,000 for the house and Eamonn Lynch, the seller, accepted the offer. He agreed to transfer ownership of the house to Sinead and Patrick on receipt of the money offered.</i></p> <p>(ii) Capacity to Contract – all parties entering into the contract must have the ability to do so. They be over 18, of sound mind, and not under the influence of alcohol/drugs.</p> <p><i>Sinead and Patrick are both aged 31.</i></p>	<p>15</p> <p>3 @ 5m (3 + 2)</p>
	<p>(iii) Consideration – this is the item of value that must pass between both parties to a contract. Usually, one party exchanges an asset or service for the other party's money.</p> <p><i>Sinead and Patrick will give €320,000 to Eamonn Lynch, who will sell them the house.</i></p> <p>(iv) Consent to Contract – both parties must enter into the contract of their own free will, under no pressure.</p> <p><i>Sinead and Patrick want to buy the house, the seller had invited people to buy it.</i></p>	
(D)	<p>Describe two methods of terminating (ending) a contract.</p> <ul style="list-style-type: none"> • Performance – both parties in the contract fulfil their part of the contract and it comes to its natural end. • Agreement - both parties agree to end the contract before it is completed. • Frustration – an unforeseen event makes it impossible to complete the contract. • Breach – one party in the contract does not complete their part of the contract. 	<p>15m</p> <p>8m (4 + 4)</p> <p>7m (4 + 3)</p>

(E)	<p>Outline one function of the Competition and Consumer Protection Commission (CCPC).</p> <ul style="list-style-type: none"> • Promoting and protecting the interests and welfare of consumers – the CCPC advises consumers on their consumer rights and personal finance, through their website, advertising and telephone helplines. • Enforces consumer protection and competition law – the CCPC is responsible for enforcing all consumer laws by investigating suspected breaches. • Ensures compliance with consumer law – advises and informs businesses of their legal obligations to consumers and other businesses. It has power of prosecution, sending prohibition orders, compliance notices and fixed payment notices. • Advises the Government on consumer issues – the CCPC advises the Government on how best to ensure fair competition and consumer welfare is protected. • Publishes a Consumer Protection List – that identifies businesses who have breached consumer law. 	<p>10m</p> <p>10m (5 + 5)</p>
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QUESTION 5:

	Possible Responses	Marks
(A)	<p>Outline three enterprising characteristics/skills displayed by entrepreneurs such as Peter and Richard.</p> <ul style="list-style-type: none"> • Innovative/Creative – comes up with new ideas; thinks outside the box. • Initiative – sees an opportunity and uses their initiative to set up the business. • Risk taker – takes personal and financial risk of setting up a business. • Decisive/Decision Making – makes quick and effective decisions. • Future focused /ambitious – looking to future and coming up with plans to stay ahead of competitors. • Proactive – do things yourself rather than waiting on others to do it. • Confident – has belief in his/her idea and ability. • Human Relations skills – gets on with people and can handle staff. <p>Other points: Hardworking, Resilient, Flexible, Independent.</p>	<p>15m</p> <p>3 x 5m (3 + 2)</p>
(B)	<p>Explain two risks and two rewards for entrepreneurs like Peter and Richard setting up a new business.</p> <p>Risks:</p> <ul style="list-style-type: none"> • Financial problems/No guaranteed income – may not have enough money to run the business. • Hard to raise finance/acquire loans – might find it difficult to raise finance for the business. • Stress – must work long hours to get business going. Setting up a new business can cause a lot of stress. • Competition – may not be able to compete with existing businesses in terms of quality of service and price. • Business failure – the business model might not be successful, forcing the business to close down. Peter and Richard may lose their investment and possibly damage their reputation if the business is not a success. <p>Rewards:</p> <ul style="list-style-type: none"> • Profit – a successful business can generate good profit for the entrepreneur • Independence – the entrepreneur has control over their own working life and makes decisions to suit themselves • Satisfaction – the challenge of setting up a business is rewarded if the business is successful • Generating wealth for others – providing employment, spin-off business creation etc. 	<p>20m</p> <p>2 x 5m (3 + 2)</p> <p>2 x 5m (3 + 2)</p>

(C)	<p>Discuss two reasons why quality control is important for a clothing business.</p> <ul style="list-style-type: none"> • Increased Sales: sales increase due to the good reputation for quality clothing. • Customer Loyalty: customers will return if assured of quality. • Reduced Costs: less waste/recycling allows the business to reduce costs. • Quality awards can be used as a marketing tool. • Pricing – the clothing business can charge a higher price if the business becomes known for quality. 	<p>15m</p> <p>10m (7+ 3)</p> <p>5m (4 + 1)</p>
(D)	<p>Outline two benefits for a business of communicating with their customers using social media.</p> <ul style="list-style-type: none"> • Direct advertisement – social media allows businesses to tailor their advertising directly to their target market • Reduced costs – social media advertising is much cheaper than traditional methods of advertising • Creates customer loyalty – customers who start to ‘follow’ certain businesses or brands are generally more loyal to the business • Instant sales – advertising through social media allows a business to link directly to their website which can initiate immediate sales from an advertisement. • Creates a relationship with customer – regular posting on social media as well as direct messaging allows a personal relationship to be developed with customers. 	<p>15m</p> <p>10m (7+ 3)</p> <p>5m (4 + 1)</p>

(E)	<p>List two advantages to Peter and Richard of preparing a SWOT analysis for their business.</p> <ul style="list-style-type: none"> • A SWOT analysis allows a business to develop short, medium and long-term goals for the business • It identifies the strengths of the business so that they can be further enhanced • It shows up any areas of weakness/challenges in the business so that they can be immediately addressed and minimised • It allows the business to develop and maximise the opportunities available to them • It gives the business time to avoid the risks and threats they could be exposed to • It helps a business to analyse its current situation internally and externally. 	<p>10m</p> <p>2 x 5m (3 + 2)</p>
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QUESTION 6:

	Possible Responses	Marks
(A)	<p>(i) Explain two of the supplied medium-term sources of finance for the purchase of a van.</p> <p>Medium Term Loan – a loan from financial institution taken out over a 1–5-year period, which must be repaid in equal instalments with interest. Collateral may be required.</p> <p>Hire Purchase – allows a business to purchase an item/asset via a finance company. A deposit is paid and equal instalments with interest are paid over a 1 to 5-year period. Ownership of the item is not transferred to the hirer until the final instalment is paid.</p> <p>Leasing – this involves renting/hiring an asset over a 1 to 5-year period and making monthly payments for the item. The hirer never gains ownership of the asset.</p> <p>(ii) Outline one advantage of each source chosen.</p> <p>Medium Term Loan: Immediate ownership of the item/ repayments are tax deductible.</p> <p>Hire Purchase: Low monthly repayments make item affordable if cash flow is an issue. Suitable for those who may have difficulty with bank credit.</p> <p>Leasing: Affordable monthly repayments/no tied up capital/new item can be leased after original lease agreement ends. No security/collateral required.</p>	<p align="center">20m</p> <p align="center">2 x 7m (4 + 3)</p> <p align="center">2 x 3m</p>

(B)	<p>Outline three types of insurance you would expect Ryan's Dog Groomers to have.</p> <p>Property insurance –to cover financial loss to the buildings in the event of burglary or damage.</p> <p>Public Liability Insurance – protects the business from claims made by members of the public for accidents on the premises.</p> <p>Employers Liability Insurance – protects the business from claims made by employees for accidents in the workplace or in the duty of their work</p> <p>Contents Insurance – protects against theft or damage to stock and equipment in the event of flooding or theft.</p> <p>Cash in transit – protects the business if cash is stolen while in transit to bank.</p> <p>Plate Glass Window insurance – covers replacement of front window of business in the event of damage/breakage.</p> <p>Motor Insurance (Comprehensive) will be required if he purchases the van – this covers everyone, including Ryan, if he is involved in an accident.</p>	<p>15m</p> <p>3 x 5m (3 + 2)</p>
(C)	<p>Explain, with reference to Ryan, the principal of Utmost Good Faith in relation to insurance.</p> <p>Utmost Good Faith refers to the declaration of all material facts when taking out insurance. A material fact is anything which affects the level of risk the insurer is being asked to cover and therefore the premium charged. A person taking out insurance must be honest and truthful in all dealings with an insurance company. This enables the insurer to calculate the correct premium.</p> <p>Ryan must be truthful with his dealings with insurance company – he must declare all material facts relating to the business and the van he intends to buy.</p>	<p>10m</p> <p>4 + 3</p> <p>3</p>

(D)	<p>The following are the net profit figures for Ryan’s business for the period 2017-2021</p> <table><tr><th>Year</th><th>2017</th><th>2018</th><th>2019</th><th>2020</th><th>2021</th></tr><tr><th>Net Profit</th><td>€35,000</td><td>€45,000</td><td>€40,000</td><td>€55,000</td><td>€60,000</td></tr></table> <p>Illustrate the above information on a bar chart.</p> <div><p>Net Profit for the years 2017-2021</p></div>	Year	2017	2018	2019	2020	2021	Net Profit	€35,000	€45,000	€40,000	€55,000	€60,000	<p>15m</p> <p>Title 1m</p> <p>Labelled Axis 2m + 2m</p> <p>5 Bars @ 2m each (1m each if not to scale)</p>
Year	2017	2018	2019	2020	2021									
Net Profit	€35,000	€45,000	€40,000	€55,000	€60,000									
(E)	<p>Outline two uses of ICT for Ryan’s business.</p> <ul style="list-style-type: none">• Preparation of accounts – Ryan can use various software to keep track of his accounts, e.g., Excel, Sage• Stock control – EDI systems allow Ryan to keep control of all stock in his business• Online sales/marketing – ICT allows Ryan to operate a website and generate customers for his business, through an online booking system.• Communication – Ryan can use various methods of ICT to communicate with various stakeholders, e.g. social media, emails• Payroll – software is available for calculating staff wages and tax liabilities, e.g., Collsoft. This will help if he expands his business.	<p>15m</p> <p>8m (4 + 4)</p> <p>7m (4 + 3)</p>												

QUESTION 7:

	Possible Responses	Marks
(A)	<p>Explain the terms induction training and on-the-job training.</p> <p>Induction training is training given to a new employee when they start in an organisation. It involves information on how the organisation operates, who to report to, payment details, code of ethics, health and safety etc. It aims to help new employees feel comfortable in their new job.</p> <p>On-the-job training means learning the skills and knowledge required for the job in the workplace by working with and observing experienced employees do their job.</p>	<p>10m</p> <p>5m (3 + 2)</p> <p>5m (3 + 2)</p>
(B)	<p>Outline two benefits to the business of the employees working as part of a team.</p> <ul style="list-style-type: none"> • Improved decision making: each team member brings different skills and expertise which leads to improved decision making. • Improved staff morale: staff morale increases as employees get satisfaction from working with others. Leads to better quality of work and greater motivation. • Improved staff relations: staff build good contacts with other team members which helps satisfy social needs. • Workload is shared/shared responsibility: each member contributes. More working on a task improves efficiency. • Improved communication: working in a team will help to improve communication and interpersonal skills. • Generates creative ideas: suggestions can spark new ideas. 	<p>15m</p> <p>8m (4 + 4)</p> <p>7m (4 + 3)</p>
(C)	<p>In Week 24 Leah achieved sales to the value of €20,000. Using the information supplied above calculate Leah's Gross Pay for Week 24. Show your workings.</p> <p>$€20,000 \times 5\% = €1,000 + €400 = €1,400$</p> <p>List two statutory deductions that must be deducted from Leah's gross pay.</p> <p>PAYE – Pay As You Earn</p> <p>PRSI – Pay Related Social Insurance</p> <p>USC – Universal Social Charge</p>	<p>20m</p> <p>2+2+2+2+2</p> <p>2 x 5m</p>

(D)	<p>Outline two benefits to the business of internal recruitment.</p> <ul style="list-style-type: none"> • Employer knows the strengths, achievements, training needs etc. of the employee. • The employee knows the organisation so no need for induction training which saves time. • Staff are motivated to work harder if promotions are possible. • Cheaper – saves money on advertising the position. 	<p>15m</p> <p>8m (4 + 4)</p> <p>7m (4 + 3)</p>
(E)	<p>Outline two reasons why maintaining good Employer/Employee relations is an important role of the Human Resource Manager.</p> <ul style="list-style-type: none"> • Motivated workforce – employees who are happy in their workplace and have a good relationship with management are more motivated and productive. • Good industrial relations – the relationship with management and employees is positive and there is less chance of industrial dispute. Problems are resolved quickly due to agreed procedures. • Low labour turnover – if there is a positive relationship between HR manager and staff there is less chance of employees leaving the organisation. • Less absenteeism – the good relationship between management staff ensures employees are happier in their jobs and less likely to miss workdays. 	<p>15m</p> <p>8m (4 + 4)</p> <p>7m (4 + 3)</p>

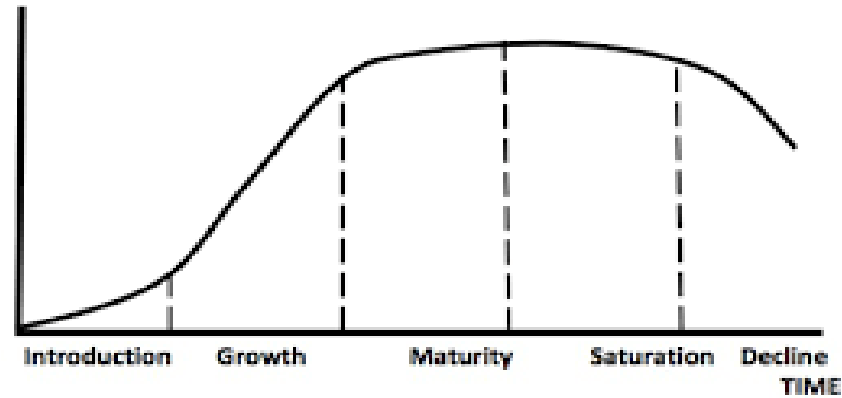
QUESTION 8:

	Possible Responses	Marks
(A)	<p>(i) Explain the term sole trader.</p> <p>A Sole Trader business is owned and controlled by one person. This person is entirely responsible for the business and has unlimited liability.</p> <p>(ii) Outline two benefits of operating as a sole trader.</p> <ul style="list-style-type: none"> • Profits – As the sole owner, the sole trader keeps all the profit after taxes are paid. • Decisions – get to make the decisions themselves and decisions can be made quickly. • Control – full control over the business. Control is not diluted/shared. • Formation/set up – relatively easy to set up as a sole trader. • Accounts – The accounts and the financial records of a sole trader are confidential and only must be revealed to the tax authorities. 	<p>20m</p> <p>5m (3 + 2)</p> <p>8m (4 + 4)</p> <p>7m (4 + 3)</p>

(B)	<p>Explain three sources of new product ideas for a business</p> <ul style="list-style-type: none"> • Personal interests/hobbies/skills – The entrepreneur may be able to turn a hobby into a successful business. • Research and Development – A specific R & D department is responsible for coming up with ideas. • Foreign Travel – An entrepreneur may spot a successful product/service abroad and set up similar in Ireland. • Family/Friends – family members, friends or colleagues might make a suggestion or highlight a problem with an existing product. • Internet/Media – ideas from newspapers, TV, radio, websites. • Trends – An entrepreneur will keep an eye on market trends to identify a new product/service. • Competitors – Copy/adapt/improve a competitor's product or service. • Brainstorming – Employees come together and bounce ideas off each other. • Import Substitution – Irish entrepreneur makes a product that is currently being imported. • Customer feedback – Listen to what customers want and make a product to suit their needs. 	<p>15m</p> <p>3 x 5m (3 + 2)</p>
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(C)	<p>(i) List two headings in a business plan.</p> <ul style="list-style-type: none"> • Description of Business & Owners • Management & Organisation Structure • Product or service • Analysis of Market • Marketing Strategy • Finance Requirement • Financial Projections <p>(ii) Explain two benefits of preparing a business plan.</p> <ul style="list-style-type: none"> • It set out clearly the objectives and targets of the business which gives direction and focus to the business. • It is used to obtain finance from lenders, who must be convinced that the plan has a good chance of success. • It can help attract potential investors as they can assess the risk before investing. • It identifies resources required for the future. • It can highlight future difficulties and the business can take steps to address them. • Actual performance can be compared with targets set, to determine success. 	<p>20m</p> <p>2 x 3m</p> <p>7m (4 + 3)</p> <p>7m (4 + 3)</p>
(D)	<p>Explain the term USP with reference to Miriam's business.</p> <p>Unique Selling Point (USP) refers to the feature of a product or service that distinguishes it from its competitors. A USP is something that makes the product or service stand out/be more appealing to consumers.</p> <p><i>Miriam's USP is that she customises wedding dresses into unique handmade christening gowns.</i></p>	<p>10m</p> <p>6m (3 + 3)</p> <p>4</p>
(E)	<p>List two services that the LEO could have provided to Miriam to assist when setting up her business.</p> <ul style="list-style-type: none"> • Mentoring • Grant aid • Advice & assistance • Training 	<p>10m</p> <p>2 x 5m</p>

QUESTION 9:

	Possible Responses	Marks
(A)	<p>Draft and label the Product Life Cycle diagram showing all 5 stages.</p> <p align="center">PRODUCT LIFE CYCLE</p>  <p>The diagram shows a bell-shaped curve representing sales over time. The curve is divided into five stages by vertical dashed lines: Introduction, Growth, Maturity, Saturation, and Decline. The curve starts at the origin, rises through the Introduction and Growth stages, reaches its peak in the Maturity stage, and then declines through the Decline stage. The Saturation stage is the period between the end of the growth phase and the start of the decline phase.</p>	<p>15m</p> <p>Title: 1m</p> <p>Sales: 1m</p> <p>Time: 1m</p> <p>Curved Line: 2m</p> <p>Stages: (in order) 5 x 2m</p>
(B)	<p>Outline two benefits to a business of carrying out market research before launching a new product.</p> <ul style="list-style-type: none"> • To find out more about competitors and produce a better product to stay ahead of its competitors. • To find out customers' needs and wants/identify trends and produce a product that satisfies that need. • To help determine the appropriate price to charge/ price the target market is willing to pay. • It can be used to test customer reaction to a product which reduces the risk of the product failing. • To identify and provide information on the target market. The business will aim the product at this group and reduce possible waste of cash. • To find out the size of the market and the potential of the market. • To find out the best type of promotion to use to attract customers. • Products can be tested on potential customers to obtain feedback on possible improvements 	<p>15m</p> <p>8m (4 + 4)</p> <p>7m (4 + 3)</p>

(C)	<p>Explain, using an example, the term target market.</p> <p>A target market is the group of people at whom a particular product or service is aimed. The target market may be characterised by age, income level, gender, location, and lifestyle.</p> <p>Example: Kinder Chocolate aimed at children.</p>	<p>10m</p> <p>4 + 3</p> <p>3</p>
(D)	<p>(i) Explain the term Public Relations (PR).</p> <p>Public Relations (PR) is a method used by business/people/ organisations to create goodwill towards the organisation or bring awareness to the general public about the organisation and its products or services. The main aim of PR is to communicate information to the public.</p> <p>(ii) Outline two methods of Public Relations, other than sponsorship, a business could use.</p> <ul style="list-style-type: none"> • Press Conferences/Press releases – the media are given information about the company’s activities/products. • Celebrity endorsements/influencers – a celebrity is paid to be associated with the business. The product is seen to be used by celebrities and/or endorsed on social media. • Official opening/launch of a business or product creates publicity. • Donations to charity – a business may partner with a charity or give a portion of profit to a chosen charity. • After Sales Service – good customer care after the sale of the product. <p>Other PR strategies include Business brochures, Publicity literature.</p>	<p>20m</p> <p>5m (3 + 2)</p> <p>8m (4 + 4)</p> <p>7m (4 + 3)</p>

(E)	<p>List two advertising media that a business could use and outline a reason for your choice in each case.</p> <ul style="list-style-type: none"> • Internet/social media: this has a global audience. The business can reach its target market by using websites or applications such as Instagram or Messenger that it knows its target market uses. The cost can be lower than other media. • Newspapers/magazines: good for providing detailed information which can be re-read. • Television: large national market. Detailed information can be given using images and sound. • Radio: cheaper than TV and effective at giving information to local audience on local stations. • Cinema: captive local audience. • Posters and billboards: can be eye-catching in public places. • Direct mail/flyers: can be targeted at existing customers. 	<p>15m</p> <p>8m (4 + 4)</p> <p>7m (4 + 3)</p>
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