



Coimisiún na Scrúduithe Stáit
State Examinations Commission

Leaving Certificate 2023

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 Support Notes for use with the Marking Scheme.

In considering the marking scheme and the support notes the following points should be noted:

- The support notes presented are neither exclusive nor complete.
- They are **not** model answers but rather a sample of possible responses.
- The support notes in many cases may 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.
- Words, expressions or phrases must be correctly used in context and not contradicted, and where there is evidence of incorrect use or contradictions the marks may not be awarded.
- An examiner unsure of the validity of the approach adopted by a particular candidate to a particular question should contact his/her advising examiner.
- The table below contains information about annotations used for marking throughout the exam paper.

Annotation	Use
	Valid information (n marks)
	No marks awarded. Answer incorrect or insufficient.
	Page seen by examiner / Information not valid.
	Candidate's own figure earns marks.
	Surplus answer or part of answer. Marks awarded elsewhere.

LEAVING CERTIFICATE BUSINESS ORDINARY LEVEL 2023

MARKING SCHEME

SECTION 1 100 marks Answer 10 Questions – Each Question carries 10 marks

QUESTION	MARKING SCHEME	TOTAL MARKS
1	1 st term 3m (1+1+1) 2 nd term 3m (1+1+1) 3rd term 4m (1+1+1+1)	10
2	Four entries: 3m + 3m + 2m + 2m	10
3	Two reasons: @ 5m each (3 + 2)	10
4	Four entries: 3m + 3m + 2m + 2m	10
5	Two entries: @ 5m each	10
6	(i) Explain 6m (3 + 3) (ii) Name & USP 2m + 2m	10
7	Four entries: 3m + 3m + 2m + 2m	10
8	Four circles: 3m + 3m + 2m + 2m	10
9	Two entries: @ 5m each	10
10	Six entries : 2m + 2m + 1m + 3m +1m +1m	10
11	Four ticks: 3m + 3m + 2m + 2m	10
12	Three answers: 4m + 3m + 3m	10
13	Two entries: @ 5m each	10
14	(i) Calculation: 4m (ii) Identify month 3m (iii) Identify month 3m	10
15	Five answers: @ 2m each	10

SECTION 2 – 300 MARKS

PART 1

Question 1

(A)	Two reasons	8 marks (4m + 4m) 7 marks (4m + 3m)	15
(B)	One function	10m (5m + 5m)	10
(C)	Five stakeholders	@ 3 marks each	15
(D)	Explanation Outline one example	8 marks (4m + 4m) 7 marks (4m + 3m)	15
(E)	Three explanations:	7 marks (4m + 3m) 7 marks (4m + 3m) 6 marks (4m + 2m)	20
	Available Marks		75

Question 2

(A)	Explanation:	10 marks (7m + 3m)	10
(B)	Two incentives:	10 marks (7m + 3m) 5 marks (4m + 1m)	15
(C)	Two benefits:	10 marks (7m + 3m) 5 marks (4m + 1m)	15
(D)	(i) Explanation (ii) Two effects	5 marks (3m + 2m) 10 marks (7m + 3m) 5 marks (4m + 1m)	20
(E)	Two benefits:	10 marks (7m + 3m) 5 marks (4m + 1m)	15
	Available Marks		75

Question 3

(A)	Name: Three Examples:	5 marks 10 marks (4m + 3m + 3m)	15
(B)	Two barriers: One Explanation:	8 marks (4m + 4m) 7 marks (4m + 3m)	15
(C)	(i) Explanation: (ii) One impact:	8 marks (4m + 4m) 7 marks (4m + 3m)	15
(D)	(i) Two benefits: (ii) One challenge:	@ 6 marks each (4m + 2m) 8 marks (4m + 4m)	20
(E)	Two institutions:	5m + 5m	10
	Available Marks		75

Question 4

(A)	(i) Yes Explanation (ii) Law:	4 marks 6 marks (3m + 3m) 10 marks (5 @ 2 m)	20
(B)	Agency: Explanation:	5 marks 10m (5m + 5m)	15
(C)	Two causes	@ 5marks each (3m + 2m)	10
(D)	(i) Two benefits: (ii) Name TU:	@ 5 marks each (3m + 2m) 5 marks	15
(E)	Three explanations:	@ 5marks each (3m + 2m)	15
	Available Marks		75

PART 2

Question 5

(A)	Three characteristics/ skills	@ 5marks each (3m + 2m)	15
(B)	One Explanation	5 marks (3m + 2m)	15
	Two reasons:	@ 5 marks each (3m + 2m)	
(C)	Two features:	8 marks (4m + 4m) 7 marks (4m + 3m)	15
(D)	(i) Explanation:	5 marks (3m + 2m)	15
	(ii) Two benefits:	@ 5 marks each (3m + 2m)	
(E)	Two benefits:	8 marks (4m + 4m) 7 marks (4m + 3m)	15
	Available Marks		75

Question 6

(A)	Three terms:	@ 5m each (3m + 2m)	15
(B)	(i) Two duties :	@ 5m each (3m + 2m)	20
	(ii) Two duties	@ 5m each (3m + 2m)	
(C)	Three factors	@ 5m each (3m + 2m)	15
(D)	Name & Explain:	8 marks (4m + 4m) 7 marks (4m + 3m)	15
(E)	Explain role:	10 marks (5m + 5m)	10
	Available Marks		75

Question 7

(A)	Calculation:	9 figures @1m each 4 figures @2m each 1 figures @3m each	20
(B)	Explanation:	10 marks (6m + 3m + 1m)	10
(C)	Two methods:	10 marks (7m + 3m) 5 marks (4m + 1m)	15
(D)	Two explanations:	8 marks (3m + 3m + 2m) 7 marks (3m + 2m + 2m)	15
(E)	Two benefits:	10 marks (7m + 3m) 5 marks (4m + 1m)	20
	Available Marks		75

Question 8

(A)	(i) One benefit: (ii) One technique:	8 marks (6m + 2m) 7 marks (5m + 2m)	15
(B)	Two benefits:	10 marks (7m + 3m) 5 marks (4m + 1m)	15
(C)	Three factors :	8m + 4m + 3m	15
(D)	Two advantages :	10 marks (7m + 3m) 5 marks (4m + 1m)	15
(E)	Two reasons:	10 marks (7m + 3m) 5 marks (4m + 1m)	15

Question 9

(A)	Two sources:	@ 5 marks each	10
(B)	Two types:	8 marks (3m + 3m + 2m) 7 marks (3m + 2m + 2m)	15
(C)	(i) Explanation: (ii) Two methods:	7 marks (4m + 3m) 7 marks (4m + 3m) 6 marks (4m + 2m)	20
(D)	Two Explanations:	8 marks (4m + 4m) 7 marks (4m + 3m)	15
(E)	Two challenges:	8 marks (4m + 4m) 7 marks (4m + 3m)	15
Available Marks			75

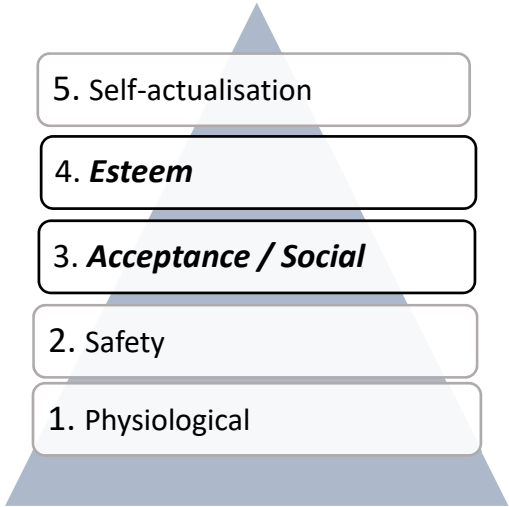
LC BUSINESS -ORDINARY LEVEL

EXPECTED RESPONSES - 2023

Section 1 Short Answer Questions

100 marks

Q	Expected Responses	Marks												
1.	<p>What do the following letters stand for?</p> <p>VAT Value Added Tax</p> <p>ECB European Central Bank</p> <p>DIRT Deposit Interest Retention Tax</p>	<p>10m</p> <p>3</p> <p>3</p> <p>4</p>												
2.	<p>Indicate whether each of the following actions is an example of a Controller or Facilitator manager by writing Controller or Facilitator after each of the following statements.</p> <table border="1"> <tr> <td>1.</td><td>The manager gives orders and expects them to be followed without question.</td><td>Controller</td></tr> <tr> <td>2.</td><td>The manager encourages employee empowerment.</td><td>Facilitator</td></tr> <tr> <td>3.</td><td>Employees are trusted to carry out their duties without constant supervision.</td><td>Facilitator</td></tr> <tr> <td>4.</td><td>The manager makes all the decisions and does not consult with employees.</td><td>Controller</td></tr> </table>	1.	The manager gives orders and expects them to be followed without question.	Controller	2.	The manager encourages employee empowerment.	Facilitator	3.	Employees are trusted to carry out their duties without constant supervision.	Facilitator	4.	The manager makes all the decisions and does not consult with employees.	Controller	<p>10m</p> <p>3</p> <p>3</p> <p>2</p> <p>2</p>
1.	The manager gives orders and expects them to be followed without question.	Controller												
2.	The manager encourages employee empowerment.	Facilitator												
3.	Employees are trusted to carry out their duties without constant supervision.	Facilitator												
4.	The manager makes all the decisions and does not consult with employees.	Controller												
3.	<p>Outline two reasons for business expansion.</p> <ul style="list-style-type: none"> • Profit – entrepreneur is motivated to make a higher profit and expands the business to increase sales. • Ambition – entrepreneur wants to build an empire, become the number one in the industry. • Challenge – entrepreneurs like the challenge of developing new products or entering new markets. • Defensive reasons – protect raw materials, benefit from economies of scale. • Offensive reasons – eliminate competition. • Increased demand for its products – market demand drives expansion. 	<p>10m</p> <p>5 (3+2)</p> <p>5 (3+2)</p>												

4.	<p>Write the word TRUE or FALSE after each of the following statements.</p> <table border="1"> <tr> <td data-bbox="323 165 400 232">(i)</td><td data-bbox="400 165 1086 232">A sole trader has unlimited liability.</td><td data-bbox="1086 165 1238 232">True</td></tr> <tr> <td data-bbox="323 232 400 322">(ii)</td><td data-bbox="400 232 1086 322">A public limited company can have a maximum of 149 shareholders.</td><td data-bbox="1086 232 1238 322">False</td></tr> <tr> <td data-bbox="323 322 400 412">(iii)</td><td data-bbox="400 322 1086 412">A co-operative is owned and controlled by the government.</td><td data-bbox="1086 322 1238 412">False</td></tr> <tr> <td data-bbox="323 412 400 479">(iv)</td><td data-bbox="400 412 1086 479">A partnership business can have 2 - 20 partners.</td><td data-bbox="1086 412 1238 479">True</td></tr> </table>	(i)	A sole trader has unlimited liability.	True	(ii)	A public limited company can have a maximum of 149 shareholders.	False	(iii)	A co-operative is owned and controlled by the government.	False	(iv)	A partnership business can have 2 - 20 partners.	True	<p>10m</p> <p>3</p> <p>3</p> <p>2</p> <p>2</p>
(i)	A sole trader has unlimited liability.	True												
(ii)	A public limited company can have a maximum of 149 shareholders.	False												
(iii)	A co-operative is owned and controlled by the government.	False												
(iv)	A partnership business can have 2 - 20 partners.	True												
5.	<p>Name Levels 3 and 4 in Maslow's Hierarchy of needs.</p> 	<p>10m</p> <p>5</p> <p>5</p>												
6.	<p>(i) Explain the term USP</p> <p>Unique Selling Point refers to the element of the business' marketing mix which gives it a competitive advantage over its rivals – it is what makes the product/service/brand stand out from its competitors.</p> <p>(ii) Name a product and its USP</p> <p>Toblerone – triangular chocolate Volvo – safety</p>	<p>10m</p> <p>6 (3+3)</p> <p>4 (2+2)</p>												

7.	<p>Complete the recruitment and selection process:</p> <div><div>1. Job Description</div><div>2. Person specification</div><div>3. Advertise job</div></div> <div><div>4. Screen applicants</div><div>5. Selection Tests</div><div>6. Interview candidates</div></div> <div><div>7. Check references</div><div>8. Offer job</div></div>	<p>10m</p> <p>3</p> <p>3 + 2</p> <p>2</p>
8.	<p>Circle the correct option in each of the following statements.</p> <p>(i) Employees must give <u>seven</u> / ten days' notice of industrial action to their employer.</p> <p>(ii) When employees ask for a pay rise because inflation has increased it is known as a productivity / <u>cost of living</u> claim.</p> <p>(iii) IBEC represents <u>businesses</u> / employees.</p> <p>(iv) The Irish Farmers' Association (IFA) is an <u>interest group</u> / trade union.</p>	<p>10m</p> <p>3</p> <p>3</p> <p>2</p> <p>2</p>
9.	<p>Match the image with the correct pricing strategy from the list. One pricing strategy is not shown.</p> <div><div>(i) Price Discrimination</div><div>(ii) Premium Pricing</div></div>	<p>10m</p> <p>5 + 5</p>

10.	<p>Draft the memorandum sent by Tina Duggan, IT Manager, on today's date to all employees reminding them that system log-in passwords must be changed by Friday 23rd June 2023.</p> <div><p style="text-align: center;">Memorandum</p><p>To: All staff (2)</p><p>From: Tina Duggan (IT Manager) (2) Date: 15/06/23 (1)</p><p>Re: I wish to remind all staff that system log-in passwords must be updated/changed by Friday 23rd June 2023. (3)</p><p>Signed: <i>Tina Duggan</i> (1) Title: IT Manager (1)</p></div>	10m 2 3 3 2																									
11.	<p>Indicate by means of a tick (✓) the EU policy that each statement describes.</p> <table><tr><td></td><td>CAP</td><td>CFP</td><td>Social Charter</td><td>Comp Policy</td></tr><tr><td>EU citizens have the right to live and work in any EU country</td><td></td><td></td><td>✓</td><td></td></tr><tr><td>Farmers receive Single Farm Payments to help supplement their income.</td><td>✓</td><td></td><td></td><td></td></tr><tr><td>All business mergers and takeovers are monitored.</td><td></td><td></td><td></td><td>✓</td></tr><tr><td>The aim is to preserve fish stocks in EU waters.</td><td></td><td>✓</td><td></td><td></td></tr></table>		CAP	CFP	Social Charter	Comp Policy	EU citizens have the right to live and work in any EU country			✓		Farmers receive Single Farm Payments to help supplement their income.	✓				All business mergers and takeovers are monitored.				✓	The aim is to preserve fish stocks in EU waters.		✓			10m 3 3 2 2
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12.	<p>Match the explanation with the correct State Agency.</p> <table><tr><td>Provides Irish tourism industry around the world</td><td>Fáilte Ireland</td></tr><tr><td>Attracts multinational companies to set up in Ireland through various incentives</td><td>IDA Ireland</td></tr><tr><td>Assists entrepreneurs in setting up their business through advice, grant aid etc.</td><td>Local Enterprise Office (LEO)</td></tr></table>	Provides Irish tourism industry around the world	Fáilte Ireland	Attracts multinational companies to set up in Ireland through various incentives	IDA Ireland	Assists entrepreneurs in setting up their business through advice, grant aid etc.	Local Enterprise Office (LEO)	10m 4 3 3																			
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13.	<p>Complete the missing factors of production.</p> <div><div>1. Land</div><div>2. Labour</div><div>3. Capital</div><div>4. Enterprise</div><div>Factors of Production</div></div>	<p>10m</p> <p>5</p> <p>5</p>										
14.	<p>Cashflow forecast for Dwyer’s Guesthouse for the first three months of 2023.</p> <p>(i) €3,000 Workings: 26,000 – 23,000 = 3,000 Or: 300 – (2700) = 300 + 2700 = 3,000</p> <p>(ii) January</p> <p>(iii) March/February</p>	<p>10m</p> <p>1 + 1 + 2</p> <p>3</p> <p>3</p>										
15	<p>Matching of terms with explanations:</p> <table><tr><td>1.</td><td>2.</td><td>3.</td><td>4.</td><td>5.</td></tr><tr><td>C</td><td>D</td><td>F</td><td>A</td><td>E</td></tr></table>	1.	2.	3.	4.	5.	C	D	F	A	E	<p>10m</p> <p>5 x 2m</p>
1.	2.	3.	4.	5.								
C	D	F	A	E								

SECTION 2

QUESTION 1:

	Possible Responses	Marks
(A)	<p>Outline two reasons for fair dismissal.</p> <p>Capability – not completing the duties of the job due to absenteeism or lateness which are not due to illness or disability.</p> <p>Competency – unable to carry out the tasks involved despite being given training and afforded a reasonable time to improve.</p> <p>Qualifications – if it turns out that the employee does not have the qualifications required in the job advertisement.</p> <p>Misconduct – an employee can be dismissed if they have engaged in any behaviour that is offensive, illegal, outside of their job contract e.g., assault, bullying/harassment, stealing, drunk at work.</p> <p>Redundancy – if the employer cannot afford to retain the position which the staff member holds.</p>	<p>15m</p> <p>4 + 4</p> <p>4 + 3</p>
(B)	<p>Outline one function of the Workplace Relations Commission.</p> <ul style="list-style-type: none"> • Advisory service: WRC works closely with employers, employees and trade unions to promote, develop and implement industrial relations policies, practices and procedures. • Conciliation service: Industrial Relations Officers (IRO) act as an intermediary to provide impartial conciliation services between employers and employees to help them to reach a solution to an industrial relations issue. • Mediation service: A third party helps parties in an industrial dispute to reach a voluntary resolution of a complaint or grievance. • Adjudication service: A hearing is held for both parties in a dispute to be heard and give evidence. The adjudicator makes a written decision on the case which both parties are free to accept or reject. 	<p>10m</p> <p>5 + 5</p>
(C)	<p>List five stakeholders in business.</p> <ul style="list-style-type: none"> • Owner/Entrepreneur/Employer • Investors /Shareholders • Employee/Manager • Consumers • Government • Local Community • Creditors • Interest Groups • Service Providers • Suppliers 	<p>15m</p> <p>5 @ 3m</p>

(D)	<p>Explain the term ‘co-operative relationship’ and outline one example of a co-operative relationship between two stakeholders.</p> <p>A co-operative relationship exists when two stakeholders work together in a harmonious relationship. Both stakeholders work towards a common goal.</p> <p>Example: Entrepreneur & Investor Investor provides entrepreneur with funding for business. Entrepreneur keeps investor informed, investor does not restrict how funding is spent and receives a good return on their investment.</p>	<p>15m</p> <p>4 + 4</p> <p>4 + 3</p>
(E)	<p>A legal contract may be terminated by the following methods: Frustration, Breach, Agreement, Performance Explain, using examples, three of these methods.</p> <p>Frustration: An unforeseen event makes it impossible for the contract to be completed.</p> <p>Example: Taylor Swift gets a throat infection and is unable to perform her concert in Dublin; concert is cancelled.</p> <p>Breach: One party in the contract breaks a condition of the contract, the contract is invalidated.</p> <p>Example: Liverpool footballer is caught drink driving and has his contract ended with the club.</p> <p>Agreement: Both parties agree to end the contract before its finish date.</p> <p>Example: Cristiano Ronaldo and Manchester United agreed to end Ronaldo’s contract before its end date by mutual consent.</p> <p>Performance: Both parties fulfil the terms of the contract and the contract comes to its natural end.</p> <p>Example: IT consultant is hired for a 6 month period for Cyber security firm. At the end of the 6 months, the contract expires.</p>	<p>20m</p> <p>4 + 3</p> <p>4 + 3</p> <p>4 + 2</p>

QUESTION 2:

	Possible Responses	Marks
(A)	<p>Explain the term multinational company (MNC).</p> <p>A company with its headquarters in one country and branches in a number of other countries throughout the world.</p>	<p>10m</p> <p>7 + 3</p>
(B)	<p>Outline two incentives the Government uses to attract multinational companies (MNCs) to Ireland.</p> <ul style="list-style-type: none"> • Low Corporation Tax (12.5%): Multinational companies are attracted by the low rate of tax on profits. • Access to EU markets: free trade to other EU member states with a market of approx. 450 million EU citizens. • Highly skilled and educated workforce: Ireland has a high number of third level graduates available. • Access to Govt. Grants: Grant aid is provided by the IDA to MNCs setting up in Ireland in specific locations. • IDA buildings/zoned industrial land: The IDA provide purpose-built factories/buildings which are ready to use immediately. 	<p>15m</p> <p>7 + 3</p> <p>4 + 1</p>
(C)	<p>Describe two benefits of an increase in employment for the Irish economy.</p> <ul style="list-style-type: none"> • Increased tax revenue – Government receives more revenue from income tax. • Decreased Government spending – the Government reduces its spending on social welfare due to the increased number of people working and off the live register. • Business profits increase – employees spend their earnings, therefore, increasing sales and profits for many businesses. • Improved standard of living – employees have higher wealth due to employment and living standards improve. • Improvement in infrastructure – increased Govt revenue should result in better infrastructure in the economy. • Increased FDI – foreign direct investment increases when other businesses see how well Ireland's economy is doing. • Less emigration – more employment results in less emigration of our young people, reducing the 'brain drain'. 	<p>15m</p> <p>7 + 3</p> <p>4 + 1</p>

(D)	<p>(i) Explain the term Inflation.</p> <p>Inflation refers to the increase in the cost of living from one period to the next. It is measured by the Consumer Price Index (CPI) which is calculated by the Central Statistics Office (CSO).</p> <p>(ii) Outline two effects of a high inflation rate on Irish business.</p> <ul style="list-style-type: none"> • Reduced sales/profits – as prices rise, consumers decrease their spending on non-essential items, reducing sales for business. • Increased costs – costs of raw materials, fuel etc. increase business costs and reduce profits. • Demand for wage increases – employees will demand a cost of living pay increase to keep up with level of inflation, which in turn increases costs again. • Reduced investment – businesses are less willing to expand when inflation is high. 	<p>20m</p> <p>3 + 2</p> <p>7 + 3</p> <p>4 + 1</p>
(E)	<p>Outline two benefits for a business of behaving ethically.</p> <ul style="list-style-type: none"> • Improves business reputation – public perception of the business improves due to the positive behaviour of the business. • Increased sales/profits – consumers more conscious of supporting ethical businesses. • Motivated workforce – employees are treated well and are more motivated to work harder due to positive working environment. • Easier to access finance – investors more willing to invest in ethically and socially responsible firms. • Reduce costs – using sustainable methods of production reduces costs in the long term for the business. • New markets available – allows the firm to enter new markets due to enhanced business reputation. 	<p>15m</p> <p>7 + 3</p> <p>4 + 1</p>

QUESTION 3:

	Possible Responses	Marks
(A)	(i) Using the information supplied, identify the region to which Ireland exports the most. <p align="center">European Union</p>	15m 5
	(ii) List three examples of goods/services that Ireland exports. <p align="center">Computer parts, Pharmaceutical products, Beef, Dairy products, a French tourist staying in an Irish hotel.</p>	4 + 3 + 3
(B)	Name two barriers to trade and explain one of them. <ul style="list-style-type: none"> • Tariff • Embargo • Subsidy • Quota <p>One explanation:</p> <ul style="list-style-type: none"> • A tariff is a tax placed on foreign products. It increases the price of that product to encourage consumers to purchase goods from domestic producers. • An embargo is a government ban on all imports from a particular country. • A subsidy is money that a government or the EU gives to its own indigenous businesses to allow them to sell their products and services more cheaply. • A quota is a limit on the number of a certain good that can be imported into a country. 	15m 4 4 4 + 3
(C)	Ireland's Balance of Payments was €15.8 billion from Oct-Dec 2022. (i) Explain the term Balance of Payments The Balance of payments is total exports (visible and invisible) minus total imports (visible and invisible). (ii) Outline one impact of an increase in exports on the Balance of Payments. An increase in exports leads to more money coming into the economy. This can have a positive impact on the Balance of Payments. It could help to increase the balance of payments surplus or decrease a balance of payments deficit.	15m 4 + 4 4 + 3

(D)	<p>(i) Outline two benefits to Ireland of being a member of the European Union.</p> <ul style="list-style-type: none"> • Single Market/Free trade – No trade barriers within the EU. Free movement of goods and services. Providing a market of approx. 450m people. • Free movement of people – Irish citizens can live and work in any of the other member states without the need for a visa. This gives Irish businesses access to skilled labour. • Grant aid/structural funds – Farmers under CAP receive income support measures. Structural funds are available from the European Regional Development Fund. • Single Currency – The euro has made life easier for Irish businesses and travellers trading or visiting the eurozone, which is made up of 20 of the EU countries. • Attracts FDI – multinationals locate in Ireland to get access to the EU market which creates job opportunities. <p>(ii) Describe one challenge of European Union membership to Ireland.</p> <ul style="list-style-type: none"> • Loss of decision making powers – The Irish government does not have complete control over its decisions. They will be subject to regulations which take precedence over national laws. • Financial contribution – Ireland is a net contributor to the EU. • Immigration – free movement of people may cause skills shortages in Ireland. • Competition – Irish businesses may be unable to compete with larger EU firms which may be able to sell at cheaper prices. • The UK no longer being a member of EU – largest trading partner no longer part of EU results in increased costs for Irish business. 	<p>20m</p> <p>4 + 2</p> <p>4 + 2</p> <p>4 + 4</p>
	<p>(E) Name two institutions of the European Union.</p> <ul style="list-style-type: none"> • European Parliament • European Commission • The Council of the EU • European Council • The European Court of Auditors • The Court of Justice of the EU • European Central Bank 	<p>10m</p> <p>5 + 5</p>

QUESTION 4:

	Possible Responses	Marks
(A)	<p>(i) Does Jack have to accept the Credit Note? Explain your answer.</p> <p>Yes, he does.</p> <p>As there is no fault with the product, the retailer is not obliged to provide a refund/replacement. The retailer must provide a refund/repair/replacement of the item if any of the provisions of the Sale of Goods & Supply of Services Act 1980 are broken. In this situation, Jack tried them on in the store and purchased the item. He changed his mind and returned the boots; there was no fault with the product.</p>	<p>20m</p> <p>4</p> <p>3 + 3</p>
	<p>(ii) Name the consumer law that applies.</p> <p>Sale of Goods & Supply of Services Act 1980.</p>	<p>5 @ 2m</p>
(B)	<p>Name and explain one consumer agency that helps Jack be more aware of his consumer rights.</p> <p>Competition & Consumer Protection Commission (CCPC) The CCPC is responsible for informing consumers about their rights in relation to the purchase of goods & services. It provides information via its website, a telephone service, and media advertisements. The website provides tools which help consumers make more informed choices.</p> <p>Consumers Association of Ireland (CAI) The CAI is an independent, non-profit, non-governmental organisation that works on behalf of Irish consumers. Through their website and monthly magazine Consumer Choice, they provide information to consumers on their rights, financial products, food safety, health issues, etc.</p>	<p>15m</p> <p>5</p> <p>5 + 5</p>

(C)	<p>Outline two causes of industrial disputes, other than pay, between trade unions and employers.</p> <ul style="list-style-type: none"> • Unfair Dismissal – if an employee has been unfairly dismissed, they will create industrial unrest in the firm and cause a dispute between management and staff, via trade union. • Discrimination – if an employee(s) is being treated differently to other employees this will result in a dispute with employers and employees. • Redundancy – if employees are being dismissed due to redundancy, this may cause unrest in relation to who is made redundant and the redundancy package. • Working conditions – health and safety issues, breaks and holidays can cause industrial disputes between employer and employees. • Demarcation issues – if employees are being asked to do the work of others this may cause industrial unrest. • Changes to work practices – if there are major changes to work practices, employees may engage in industrial action. • Trade Union recognition – if employer refuses to recognise trade union in the workplace, dispute will occur. 	<p>10m</p> <p>3 + 2</p> <p>3 + 2</p>
(D)	<p>(i) Outline two benefits of being a member of a trade union.</p> <ul style="list-style-type: none"> • A trade union provides employees with protection in relation to all employment issues. • Trade union representation – TU represents employees engaged in industrial dispute with employer. • Trade Unions negotiate better pay and conditions for employees. • Informs employees of their rights and ensures rights are protected. <p>(ii) Apart from SIPTU, name one other trade union in Ireland.</p> <p>ASTI, TUI, INTO, INMO, Mandate, Forsa.</p>	<p>15m</p> <p>3 + 2</p> <p>3 + 2</p> <p>5</p>

(E)	<p>Explain the following industrial relations terms:</p> <p>Secret Ballot – for industrial action to be taken, the trade union is obliged to organise a secret ballot of members, who vote privately on whether they want to engage in industrial action.</p> <p>Minimum Notice – the Industrial Relations Act 1990 requires all employers to be given a minimum notice of 7 days/1 week before industrial action is to be undertaken. This allows the employer time to try to negotiate with employees or make alternative arrangements.</p> <p>Picketing – involves employees standing/marching outside their workplace with placards to highlight an industrial dispute in the organisation. Primary picketing takes place outside the business/organisation involved. Secondary picketing may take place outside another organisation who may be frustrating the strike action.</p>	<p>15m</p> <p>3 + 2</p> <p>3 + 2</p> <p>3 + 2</p>
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QUESTION 5:

	Possible Responses	Marks
(A)	<p>Outline three enterprising characteristics/skills that entrepreneurs like Nathan display.</p> <ul style="list-style-type: none"> • Innovative/Creative – comes up with new ideas; thinks outside the box. • Risk taker – takes personal and financial risk of setting up a business. • Decisive/Decision Making – makes quick and effective decisions. • Resilience – ability to bounce back from setbacks/adversity/mistakes/failure. • Future focused /ambitious – looking to future and coming up with plans to stay ahead of competitors. • Independent – want to work for themselves, be their own boss. • Shows initiative – sees an opportunity and uses their initiative to set up the business. • 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. <p>Other points: Flexible, Reality perception.</p>	<p>15m</p> <p>3 + 2</p> <p>3 + 2</p> <p>3 + 2</p>
(B)	<p>(i) Explain the term stock control.</p> <p>Stock control means ensuring that the business has optimum stock. This means the right amount of stock, at the right time. A business should not have too much or too little stock.</p> <p>(ii) Outline two reasons why stock control would be important to a business like SweetKing.</p> <ul style="list-style-type: none"> • It ensures money is not tied up in stock so could be put to other uses. • Reduces costs – Storage of stock costs money, e.g., warehousing, insurance, security. • Stock can become obsolete (out of date) so it will be difficult or impossible to sell. • Stock control involves ensuring the business always has sufficient stock to meet customer requirements. • If a business does not have enough stock customers will move to a different supplier resulting in loss of sales and profit. 	<p>15m</p> <p>3 + 2</p> <p>3 + 2</p> <p>3 + 2</p>

(D)	<p>(i) Explain the term delegation.</p> <p>Delegation involves a person in authority (management) saving time by giving an employee a task or project to complete but the manager is still accountable and responsible for the task.</p> <p>(ii) Describe two benefits of delegation for a manager.</p> <ul style="list-style-type: none"> • Gives management more time – delegation frees up more time for management to focus on priority tasks/goals of the organisation. • Motivates employees – delegation gives employees a sense of value and appreciation of their abilities. The employees feel trusted, and morale improves – this results in a more productive staff. • Improvement of skills – employees develop skills as a result of delegation which increases ability of staff, allowing for further delegation and empowerment/future promotion. 	<p>15m</p> <p>3 + 2</p> <p>3 + 2</p> <p>3 + 2</p>
(E)	<p>Outline two benefits of Information and Communication Technology (ICT) for SweetKing.</p> <ul style="list-style-type: none"> • Communication - makes SweetKing more efficient as it can promptly respond to customer's needs. • Selling – use online portal (website) to sell worldwide. • Advertising – via website or social media. • Stock Control – electronic data interchange (EDI) allows Sweet King to control its stock levels. • Payroll – SweetKing uses ICT to pay its staff. • Preparation of accounts – ICT can be used to prepare financial accounts. • Cloud computing – storage of files. • Improved decision making – access to more information. • Networking – suppliers, service providers. • Market research – online surveys. 	<p>15m</p> <p>4 + 4</p> <p>4 + 3</p>

QUESTION 6:

	Possible Responses	Marks
(A)	<p>Explain the three underlined terms.</p> <ul style="list-style-type: none"> • AGM – Annual General Meeting. A meeting held once a year to discuss the previous year’s activities and accounts. • Minutes – The minutes of a meeting are a written record of all issues discussed and decisions made at a meeting. The secretary records the minutes. • AOB – Any other business. Any topic not listed can now be discussed. 	<p>15m</p> <p>3 + 2</p> <p>3 + 2</p> <p>3 + 2</p>
(B)	<p>(i) Outline two duties of a secretary for a club meeting.</p> <p>Secretary</p> <ul style="list-style-type: none"> • Sends notice – ensures that all entitled to attend have received the Notice and Agenda in advance of the meeting. • Arranges venue – ensures all facilities are arranged and all necessary documentation is available. • Deal with correspondence – read out any important correspondence at the meeting. • Takes minutes – takes notes of discussions and decisions made in order to write the minutes and read the minutes of the previous meeting. <p>(ii) Outline two duties of a chairperson at a meeting.</p> <p>Chairperson</p> <ul style="list-style-type: none"> • Ensure that there is a quorum – a minimum number of people needed to start the meeting. • Open and closes the meeting. • Manages the meeting – ensures that the agenda is followed and that the meeting is run in an orderly manner. • Make sure that everybody gets a chance to participate and air their views. • The Chairperson may have a casting vote in the event of a tie. 	<p>20m</p> <p>3 + 2</p> <p>3 + 2</p> <p>3 + 2</p> <p>3 + 2</p> <p>3 + 2</p>

(C)	<p>Outline three factors a bank will consider before granting the club a loan to fund their expansion.</p> <ul style="list-style-type: none"> • Capacity to repay: Has the club the ability to repay? A bank will want to see that the financial accounts of the club indicate it will be able to repay the loan, e.g., Cash flow forecasts. • Credit history: Has the club paid back previous loans on time? • Collateral: Does the borrower have security (an asset used to back up the loan)? • Purpose: What is the loan for? • Duration: How long is the loan for? • Amount: How much does the borrower require? • Business plan / future direction. Has the club shown it is a good investment? 	<p>15m</p> <p>3 + 2</p> <p>3 + 2</p> <p>3 + 2</p>
(D)	<p>Name and explain two types of Insurance Greenlawn Golf Club should have.</p> <p>Public Liability Insurance – this protects the Golf Club in the event a member of the public has an accident on its premises and makes a claim against the Club.</p> <p>Buildings Insurance – the club premises is covered in the event of fire/flood damage.</p> <p>Contents Insurance – covers the Golf Club if items are stolen from the premises/club.</p> <p>Employer Liability Insurance – if an employee is hurt/injured in the workplace, the Golf Club is protected if a claim is made.</p> <p>Also: Motor Insurance, Fidelity Guarantee Insurance.</p>	<p>15m</p> <p>4 + 4</p> <p>4 + 3</p>
(E)	<p>Assessors and Actuaries are both involved in Insurance. Explain the role of one of them.</p> <p>Actuaries – an actuary is responsible for calculating the insurance premium. They use the information provided by the customer to identify the level of risk associated with the item and calculate the annual premium.</p> <p>Assessors – an assessor calculates the compensation for a claim made. The Assessor will investigate the claim and decide how much money is to be paid out to the insured.</p>	<p>10m</p> <p>5 + 5</p>

QUESTION 7:

	Possible Responses	Marks
(A)	<p>Calculate Lucy's net annual salary. Show all workings.</p> <p>PAYE: €40,000 × 0.2 = €8,000 (1 + 1 + 1) Less tax credit (<u>€3,400</u>) (3) PAYE payable €4,600 (2)</p> <p>PRSI: €40,000 × 0.04 = €1,600 (1 + 1 + 1)</p> <p>USC: €40,000 × 0.03 = <u>€1,200</u> (1 + 1 + 1) Total Deductions €7,400</p> <p>Gross Pay: €40,000 (2) Less Deductions: <u>€ 7,400</u> (2) Net Annual Pay: €32,600 (2)</p>	<p>20m</p> <p>3 3 2</p> <p>3</p> <p>3</p> <p>2 2 2</p>
(B)	<p>Explain the term PAYE.</p> <p>PAYE – Pay As You Earn This is income tax deducted from employees in Ireland and paid to the State (via the Revenue Commissioners). There are two rates: Standard Rate 20% and Higher Rate 40%. Tax Credits reduce the amount of PAYE paid to the Government. PAYE is deducted at source by the employer.</p>	<p>10m</p> <p>6 3 + 1</p>
(C)	<p>Outline two methods of recruiting new employees.</p> <ul style="list-style-type: none"> • Internet – via the company's website or jobs website • Recruitment agency – pay a recruitment agency to source new employees. • Newspapers – advertise in local/national newspapers or posters. • Colleges/Training centres – accessing employees directly with necessary skills/qualifications. • Networking – using LinkedIn. • Head hunting – Someone in another organisation is asked to take the job. 	<p>15m</p> <p>7 + 3 4 + 1</p>

(D)	<p>Explain, using examples, commission and benefit-in-kind.</p> <p>Commission – refers to a method of rewarding employees working in sales. Employees are paid a basic wage/salary and are paid a commission on their sales – this is a percentage of the value of sales they have per week/month. It is used as an incentive for salespeople to work harder and sell more as the more they sell, the more they earn.</p> <p>Example: Sales rep earns 5% commission on sales. In Week 3 he had €10,000 sales and earned €500 commission.</p> <p>Benefit-in-Kind – this is a non-cash method of payment, also known as perks. Employees may receive different types of benefit-in-kind depending on the type of work they do. This is in addition to their wage/salary and is subject to income tax.</p> <p>Example: company car, laptop/tablet, free health insurance.</p>	<p>15m</p> <p>3 + 3</p> <p>2</p> <p>3 + 2</p> <p>2</p>
(E)	<p>Outline two benefits for FastParts Ltd of rewarding their employees.</p> <ul style="list-style-type: none"> Increases employee motivation – rewarding staff adequately for their work done improves employee morale and motivation. Employee loyalty/retention – employees are more willing to remain working for their employer if they are treated fairly and rewarded well. Can incentivise employees to work harder – additional benefits can motivate staff to increase productivity, e.g., sales. Good public image – the organisation will have a good reputation for paying their employees well which should improve goodwill and sales. 	<p>15m</p> <p>7 + 3</p> <p>4 + 1</p>

QUESTION 8:

	Possible Responses	Marks
(A)	<p>(i) Outline one benefit of a loyalty programme as a method of sales promotion.</p> <ul style="list-style-type: none"> Builds consumer loyalty – consumers will keep coming back so that they can earn their free gift or points. It motivates consumers to choose this business over competitors. <p>(ii) Apart from a loyalty programme, outline one other sales promotion techniques a coffee shop could use to increase sales.</p> <ul style="list-style-type: none"> Competitions – the business offers consumers a chance to win a prize. The competition creates a lot of attention and encourages people to purchase it. On social media, Insomnia offers prizes to customers who like and share a post. Free samples – The business offers a free trial of a product. This encourages consumers to try it and hopefully like it so they will buy it again. Discounts/money off vouchers – the business gives consumers a coupon entitling them to a certain discount, e.g., 10% off their coffee. Point of sale displays – a coffee shop displays cakes and biscuits close to the till so the consumer will notice the item when queueing to pay. This will lead to impulse purchases. Special Offers – buy one, get one free. 	<p>15m</p> <p>6 + 2</p> <p>5 + 2</p>
(B)	<p>Outline two benefits of using social media advertising for Insomnia.</p> <ul style="list-style-type: none"> Reduced costs – advertising via social media is cheaper than traditional advertising media such as TV. Global audience – The business can reach a large market. Direct advertisement – the business can interact directly with consumers through platforms such as TikTok, Twitter, etc. It helps the business form a connection with its customers. Reaches target market – the business can advertise on platforms that they know their target market uses. Feedback – Insomnia can get feedback from customers via comments/direct messaging on social media. 	<p>15m</p> <p>7 + 3</p> <p>4 + 1</p>

(C)	<p>List three factors a business such as Insomnia should consider before setting prices for its products.</p> <ul style="list-style-type: none"> • Cost of production/supply • Competitors prices • Income levels of target market • Economic situation/Demand • Taxes/Regulations • Branding • Position in Product Life Cycle 	<p>15m</p> <p>8</p> <p>4</p> <p>3</p>
(D)	<p>Outline two advantages to Glenn McCarthy of setting up a business through an existing franchise model.</p> <ul style="list-style-type: none"> • Reduced risk – existing franchise model is a tried and tested formula which is already successful so chance of success for Glenn is high. • Support from franchisor – franchisee receives training and support from the franchisor. • Centralised purchasing – raw materials/supplies are sourced directly from franchisor reducing costs. • Existing customer base – the franchise has an established customer base which guarantees a certain level of sales. • National advertising – each franchise benefits from any national advertising campaigns. 	<p>15m</p> <p>7 + 3</p> <p>4 + 1</p>
(E)	<p>Explain two reasons why preparing a Business Plan is essential for Glenn.</p> <ul style="list-style-type: none"> • Future focused – Glenn will set goals for the future and devise strategies to achieve them. This gives structure and focus for the business. • Essential for investment – Glenn must prepare a Business Plan in order to access finance through a financial institution or investors, and to show the franchisor. • Helps to anticipate problems – by preparing a Business Plan it will help Glenn to identify any potential problems along the way. • Benchmark – a Business Plan can be used as a measure of control to compare performance against plans made. 	<p>15m</p> <p>7 + 3</p> <p>4 + 1</p>

Question 9

	Possible Responses	Marks
(A)	<p>Paulette and Louise turned their interests into a business opportunity. List two other sources of business ideas for entrepreneurs.</p> <ul style="list-style-type: none"> • Suggestions from family/friends • Media/Internet • Brainstorming • Competitors • Intrapreneurship/Staff suggestions • Customer feedback • Trends • Research and Development departments • Import Substitution • Travel abroad. 	<p>10m</p> <p>5</p> <p>5</p>
(B)	<p>Name and explain the two types of market research a business like I-SPY could have used before launching its products.</p> <ul style="list-style-type: none"> • Desk Research (Secondary): Desk research involves using information that has already been gathered by someone else. It is secondary data and can be both internal and external. Desk research is relatively cheap, keeping business costs down. Examples of desk research: the internet, internal sales reports, trade reports, Central Statistics Office publications, newspapers. • Field research (Primary): Field research involves going into the marketplace to gather first-hand or new information. It involves making direct contact with customers or potential customers. Field research tends to be expensive and time consuming, but it provides specific information on the behaviour of the target market. Examples of field research: surveys, observation, questionnaires, and focus groups. 	<p>15m</p> <p>3 + 3 + 2</p> <p>3 + 2 + 2</p>

(C)	<p>Clothing companies such as I-SPY often make their products using batch production.</p> <p>(i) Explain the term batch production.</p> <p>Batch production involves producing a limited amount of identical products at the same time. Production then switches to a different group, e.g., in a bakery, a batch of loaves followed by a batch of scones.</p> <p>(ii) List two other methods of production and include an example of a product that uses each type of production.</p> <p>Job Production – custom made wedding dress, tailored suit, hand-crafted furniture.</p> <p>Mass Production – Ball-point pens, tin of beans, golf balls, toilet paper.</p>	<p>20m</p> <p>4 + 3</p> <p>4 + 3</p> <p>4 + 2</p>
(D)	<p>Explain any two of the following stages of the new product development process.</p> <p>(i) Feasibility Study</p> <p>(ii) Prototype Development</p> <p>(iii) Test Marketing</p> <p>Feasibility Study: This is carried out to assess if the product is viable and can be successfully developed and brought to the market. Can it be technically up to standard re safety and government regulations? Can it be financially viable – will there be a demand for it at the selling price after all costs are covered? Break-even analysis is done to check if the product can be profitable.</p> <p>Prototype Development: This stage involves developing a sample or model of a product. A working model or ‘mock up’ is produced to see what materials are required to make the product. It can be used to test the product to see if it conforms to certain standards and to determine what adjustments/improvements can be made before deciding to go into full scale production.</p> <p>Test Marketing: The product is tested on a sample of potential consumers before going into full production. Feedback from the test marketing can lead to improvements and will decide whether the product should be marketed as a full-scale commercial venture.</p>	<p>15m</p> <p>4 + 4</p> <p>4 + 3</p>

(E)	<p>Outline two challenges when starting a new business.</p> <ul style="list-style-type: none"> • Access Finance – It is difficult to raise finance for a new business. It can be difficult to persuade banks and convince investors. Entrepreneurs will need to decide on the correct source of finance. Long term, medium-term and short-term finance are required. • Choosing the ownership structure – A start-up must decide on what ownership structure to choose from, sole trader, company, partnership or cooperative. This will have implications on liability, decision making, profits, tax. • Choosing a method of production – Businesses can choose between job, batch, or mass. The method will have an impact on economies of scale, type of workers required, etc. • Marketing challenges – It can be difficult to establish market share/get foothold in the market. This could result in increased promotional costs such as advertising campaigns. • Competition/creating a USP – A business must ensure its business stands out from competitors. • Availability of location – Businesses must choose a location that is suitable for customers and staff. High rents can make this very challenging for a business. • Availability of suitable staff – It can be difficult for businesses to find staff with the correct skills. • Work/Life Balance – Long working hours required to get business up and running. 	<p>15m</p> <p>4 + 4</p> <p>4 + 3</p>
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