



**Coimisiún na Scrúduithe Stáit**  
State Examinations Commission

**Leaving Certificate 2024**

**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.

# LEAVING CERTIFICATE BUSINESS ORDINARY LEVEL 2024

## MARKING SCHEME

<b>Section 1</b> <b>100 marks</b>  Answer 10 Questions – Each Question carries 10 marks
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QUESTION	MARKING SCHEME	TOTAL MARKS
1	1 <sup>st</sup> term 1+1+1      3m 2 <sup>nd</sup> term 1+1+1+1      4m 3rd term 1+1+1      3m	10
2	<b>Two</b> entries:      @5m each	10
3	<b>Four</b> circles:      3m + 3m + 2m + 2m	10
4	<b>Four</b> ticks:      3m + 3m + 2m + 2m	10
5	<b>Two</b> answers:      @5m (3 +2) each	10
6	<b>Two</b> answers:      @5m each	10
7	<b>Four</b> answers:      3m + 3m + 2m + 2m	10
8	<b>Four</b> answers:      3m + 3m + 2m + 2m	10
9	<b>Three</b> entries:      4m + 3m + 3m	10
10	<b>Three</b> entries:      4m + 3m + 3m	10
11	<b>Two</b> answers:      @5m (3 +2) each	10
12	<b>Three</b> entries:      4m + 3m + 3m	10
13	<b>Three</b> entries:      4m + 3m + 3m	10
14	<b>Three</b> entries:      4m + 3m + 3m	10
15	<b>Five</b> answers:      @2m each	10

## SECTION 2 -300 MARKS

### PART 1

#### Question 1

(A)	(i) Consumer Law	10 marks (5 words @ 2m each)	10
(B)	(i) <b>Two</b> provisions (ii) <b>Two</b> forms of redress	@ 5 marks each (4m + 1m) @ 5 marks each (4m + 1m)	20
(C)	(i) Explanation: (ii) <b>One</b> type	5 marks (4m + 1m) 10 marks (7m + 3m)	15
(D)	<b>Two</b> benefits:	10 marks (7m + 3m) 5 marks (4m + 1m)	15
(E)	<b>Two</b> functions:	10 marks (7m + 3m) 5 marks (4m + 1m)	15
	<b>Available Marks</b>		<b>75</b>

#### Question 2

(A)	(i) Explanation: (ii) <b>Two</b> sectors:	5 marks (3m + 2m) @ 5 marks each	15
(B)	<b>Two</b> challenges:	10 marks (7m + 3m) 5 marks (4m + 1m)	15
(C)	<b>One</b> explanation:	10 marks (5m + 5m)	10
(D)	<b>Three</b> taxes: <b>One</b> impact:	@ 5 marks each 5 marks (4m + 1m)	20
(E)	<b>Two</b> benefits:	10 marks (7m + 3m) 5 marks (4m + 1m)	15
	<b>Available Marks</b>		<b>75</b>

#### Question 3

(A)	(i) Calculation (ii) Surplus/Deficit	6 figures @ 1m each 1 figure @ 4m (2 + 2) 5 marks	15
(B)	<b>Two</b> benefits:	10 marks (7m + 3m) 5 marks (4m + 1m)	15
(C)	<b>Three</b> explanations:	7 marks (4m + 3m) 7 marks (4m + 3m) 6 marks (4m + 2m)	20
(D)	<b>Two</b> examples:	7 marks + 3 marks	10
(E)	<b>Two</b> challenges:	10 marks (7m + 3m) 5 marks (4m + 1m)	15
	<b>Available Marks</b>		<b>75</b>

**Question 4**

(A)	Three reasons:	7 marks (5m + 2m) 7 marks (5m + 2m) 6 marks (5m + 1m)	20
(B)	One method:	7 marks + 3 marks	10
(C)	Two practices	10 marks (7m + 3m) 5 marks (4m + 1m)	15
(D)	Organisation:	@ 10 marks each (3 + 3 + 2 + 2)	10
(E)	Three explanations:	7 marks (4m + 3m) 7 marks (4m + 3m) 6 marks (4m + 2m)	20
	<b>Available Marks</b>		<b>75</b>

**PART 2****Question 5**

(A)	Two explanations:	8 marks (4m + 4m) 7 marks (4m + 3m)	15
(B)	(i) Two stages: (ii) Identify:	7 marks + 3 marks 10 marks (5m + 5m)	20
(C)	Two benefits:	10 marks (7m + 3m) 5 marks (4m + 1m)	15
(D)	Two disadvantages:	10 marks (7m + 3m) 5 marks (4m + 1m)	15
(E)	One duty:	10 marks (7m + 3m)	10
	<b>Available Marks</b>		<b>75</b>

**Question 6**

(A)	Two benefits:	10 marks (7m + 3m) 5 marks (4m + 1m)	15
(B)	Two insurances:	10 marks (7m + 3m) 5 marks (4m + 1m)	15
(C)	Two explanations:	@ 10 marks each (6m + 4m)	20
(D)	One explanation:	10 marks (5m + 5m)	10
(E)	Three factors:	@ 5 marks each	15
	<b>Available Marks</b>		<b>75</b>

### Question 7

(A)	<b>Two</b> types:	10 marks (7m + 3m) 5 marks (4m + 1m)	15
(B)	<b>Two</b> explanations :	10 marks (7m + 3m) 5 marks (4m + 1m)	15
(C)	(i) <b>Two</b> items : (ii) <b>Two</b> items:	@ 5marks each @ 5marks each	20
(D)	<b>Two</b> impacts:	10 marks (7m + 3m) 5 marks (4m + 1m)	15
(E)	Explanation:	10 marks (7m + 3m)	10
	<b>Available Marks</b>		<b>75</b>

### Question 8

(A)	(i) Explanation: (ii) <b>One</b> method	10 marks (6m + 4m) @ 5 marks	15
(B)	(i) Explanation: (ii) Illustration	10 marks (6m + 4m) 10 marks (3m + 3m + 2m + 2m) <b>Or</b> 10 marks (3m + 3m + 4m)	20
(C)	Explanation:	10 marks (6m + 4m)	10
(D)	<b>Two</b> techniques:	10 marks (7m + 3m) 5 marks (4m + 1m)	15
(E)	<b>Two</b> benefits:	8 marks (4m + 4m) 7 marks (4m + 3m)	15
	<b>Available Marks</b>		<b>75</b>

### Question 9

(A)	(i) <b>One</b> method: (ii) Explanation	10 marks (7m + 3m) 5 marks (4m + 1m)	15
(B)	<b>Two</b> reasons:	10 marks (7m + 3m) 5 marks (4m + 1m)	15
(C)	<b>Two</b> functions:	10 marks (7m + 3m) 5 marks (4m + 1m)	15
(D)	<b>Two</b> reasons:	10 marks (7m + 3m) 5 marks (4m + 1m)	15
(E)	<b>Two</b> explanations:	8 marks (4m + 4m) 7 marks (4m + 3m)	15
	<b>Available Marks</b>		<b>75</b>

# LC BUSINESS - ORDINARY LEVEL

## EXPECTED RESPONSES - 2024

### Section 1

### Short Answer Questions

100 marks

Q	Expected Responses	Marks
1.	<p><b>What do the following letters stand for?</b></p> <p><b>ATM:</b> Automated Teller Machine</p> <p><b>DIRT:</b> Deposit Interest Retention Tax</p> <p><b>APR:</b> Annual Percentage Rate</p>	<p><b>10m</b></p> <p>3</p> <p>4</p> <p>3</p>
2.	<p><b>Choose the appropriate terms to complete the sentences.</b></p> <p>Members of the European <b>Parliament</b> are directly elected by citizens of the European Union. The European <b>Court of Auditors</b> ensures that the EU budget is spent correctly.</p>	<p><b>10m</b></p> <p>5</p> <p>5</p>
3.	<p>Circle the <b>correct option in each</b> of the following statements.</p> <p>(i) A functional structure divides the business into <b>departments / geographic locations</b>.</p> <p>(ii) A team-based organisation structure is referred to as a <b>matrix / product</b> structure.</p> <p>(iii) A <b>narrow / wide</b> span of control means there are a large number of employees reporting to one manager.</p> <p>(iv) Delaying involves <b>adding / removing</b> layers of employees in the business.</p>	<p><b>10m</b></p> <p>3</p> <p>3</p> <p>2</p> <p>2</p>

4.	<p>Indicate by placing a tick (✓) in the correct box, the method of expansion to which each statement relates.</p> <table><tr><th>Statement</th><th>Merger</th><th>Franchise</th><th>Takeover</th><th>Strategic Alliance</th></tr><tr><td>Subway allows other business owners to use their business model and logo in return for a fee and a percentage of profits.</td><td></td><td>✓</td><td></td><td></td></tr><tr><td>Apple temporarily joined forces with Mastercard when they released Apple Pay.</td><td></td><td></td><td></td><td>✓</td></tr><tr><td>Disney and Pixar joined their businesses together permanently to form a new company.</td><td>✓</td><td></td><td></td><td></td></tr><tr><td>Coca Cola purchased over 51% of the shares of Costa Coffee to become its new owner.</td><td></td><td></td><td>✓</td><td></td></tr></table>	Statement	Merger	Franchise	Takeover	Strategic Alliance	Subway allows other business owners to use their business model and logo in return for a fee and a percentage of profits.		✓			Apple temporarily joined forces with Mastercard when they released Apple Pay.				✓	Disney and Pixar joined their businesses together permanently to form a new company.	✓				Coca Cola purchased over 51% of the shares of Costa Coffee to become its new owner.			✓		<p>10m</p> <p>3</p> <p>3</p> <p>2</p> <p>2</p>
Statement	Merger	Franchise	Takeover	Strategic Alliance																							
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Coca Cola purchased over 51% of the shares of Costa Coffee to become its new owner.			✓																								
5.	<p>Outline two ways in which a business could be more environmentally friendly.</p> <ul style="list-style-type: none"><li>Minimise waste/safe disposal of waste; reduce packaging; and use environmentally friendly packaging.</li><li>Cleaner production methods: use a renewable source of energy such as wind power or solar power.</li><li>Conduct regular environmental audits to get an independent view of the business's impact on the environment.</li><li>Use eco-friendly vehicles, such as electric or hybrid cars.</li><li>Awareness: promote awareness amongst staff of the importance of being environmentally friendly.</li><li>The business should try to reduce its carbon footprint by sourcing materials locally.</li><li>The business could establish a code of ethics setting out the models of behaviour expected from the employee or business in its dealings with the environment.</li></ul>	<p>10m</p> <p>3 + 2</p> <p>3 + 2</p>																									



6.

Product Life Cycle:

(i) Identify the stage displayed, labelled stage 3:

Maturity

(ii) Identify a stage of the product life cycle where sales decrease:

Saturation / Decline

10m

7.

Write the word TRUE or FALSE after each of the following statements.

Statement	True or False
Variable costs remain the same regardless of how many units of a product are produced.	False
The Breakeven point is the point at which revenue and costs are equal.	True
Rent is an example of a fixed cost.	True
The margin of safety is forecast sales minus the breakeven point.	True

10m

8.

Calculate Ian Kenny’s net annual take home pay from the following details.

Name: Ian Kenny	€	€	€
Gross Pay			38,000
Deductions:			
PAYE: (20% of €38,000)	7,600		
-Tax Credit	- 3,550		
Net PAYE		A €4,050	
PRSI: (4% of €38,000)		B €1,520	
USC: (3% of €38,000)		C 1,140	
Total Deductions:			D €6,710
Net Annual Take-home Pay			E €31,290

If required, allow one mark per figure/method for workings.

10m

9.

Match the explanation with the relevant State agency/organisation:

Explanation	Agency/Organisation
Assists existing Irish business in expanding into foreign markets	Enterprise Ireland
Provides training, mentoring and grant aid to entrepreneurs setting up their business	Local Enterprise Office
Attracts Multinational companies and global firms to set up in Ireland.	IDA Ireland

10m

10.	Identify the three other elements of a SWOT/SCOT analysis.	10m								
	<div><div><div>1. Strengths</div><div>2. Weakness/Challenge</div><div>3. Opportunities</div><div>4. Threats</div></div><div>SWOT/SCOT</div></div>	4 3 3								
11.	Outline two methods a business could use to encourage intrapreneurship. <ul style="list-style-type: none"><li>Employee of the month award encourages employees</li><li>Training programmes give employees a chance to know the business better</li><li>Reward such as a bonus or share of profits</li><li>Time allocated for employees own ideas</li><li>Teamwork encourages employees to share ideas</li><li>Suggestion box – look for different ways to improve the business.</li></ul>	10m  3 + 2 3 + 2								
12.	Complete the table matching the correct remedy for breach of contract with the corresponding explanation. <table><tr><td>Explanation</td><td>The Judge orders the contract to be completed</td><td>The contract is cancelled</td><td>A sum of money is paid to the other party</td></tr><tr><td>Remedy</td><td>Specific Performance</td><td>Rescind the Contract</td><td>Compensation</td></tr></table>	Explanation	The Judge orders the contract to be completed	The contract is cancelled	A sum of money is paid to the other party	Remedy	Specific Performance	Rescind the Contract	Compensation	10m  4 3 3
Explanation	The Judge orders the contract to be completed	The contract is cancelled	A sum of money is paid to the other party							
Remedy	Specific Performance	Rescind the Contract	Compensation							
13.	Complete the stages in the formation of a team: <div><div>1. Forming</div><div>2. Storming</div><div>3. Norming</div><div>4. Performing</div></div>	10m  4 3 3								

14.	<p>Indicate whether each of the following statements refers to a <b>Public Limited Company</b> or a <b>Private Limited Company</b> by writing <b>Public</b> or <b>Private</b> after each statement.</p> <table><tr><td></td><td><b>Statement</b></td><td><b>Public or Private</b></td></tr><tr><td>(i)</td><td>The company can raise capital by selling shares to the public on the stock market.</td><td><b>Public</b></td></tr><tr><td>(ii)</td><td>This company can have a maximum of 149 shareholders.</td><td><b>Private</b></td></tr><tr><td>(iii)</td><td>PLC must be written after the company name.</td><td><b>Public</b></td></tr></table>		<b>Statement</b>	<b>Public or Private</b>	(i)	The company can raise capital by selling shares to the public on the stock market.	<b>Public</b>	(ii)	This company can have a maximum of 149 shareholders.	<b>Private</b>	(iii)	PLC must be written after the company name.	<b>Public</b>	<p><b>10m</b></p> <p>4</p> <p>3</p> <p>3</p>			
	<b>Statement</b>	<b>Public or Private</b>															
(i)	The company can raise capital by selling shares to the public on the stock market.	<b>Public</b>															
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(iii)	PLC must be written after the company name.	<b>Public</b>															
15.	<p><b>Matching of Business Terms with Explanations:</b></p> <table><tr><td>1.</td><td>2.</td><td>3.</td><td>4.</td><td>5.</td></tr><tr><td><b>E</b></td><td><b>A</b></td><td><b>F</b></td><td><b>B</b></td><td><b>D</b></td></tr><tr><td></td><td></td><td></td><td></td><td></td></tr></table>	1.	2.	3.	4.	5.	<b>E</b>	<b>A</b>	<b>F</b>	<b>B</b>	<b>D</b>						<p><b>10m</b></p> <p>5 x 2m</p>
1.	2.	3.	4.	5.													
<b>E</b>	<b>A</b>	<b>F</b>	<b>B</b>	<b>D</b>													

## SECTION 2 - 300 MARKS

### QUESTION 1

	Possible Responses	Marks
(A)	<p><b>Name the consumer law that protects Lily in this situation.</b></p> <p>The Sale of Goods and Supply of Services Act 1980</p>	<p><b>10m</b></p> <p>2+2+2+2+2</p>
(B)	<p><b>(i) Outline two provisions of the law named above that are relevant to Lily's situation.</b></p> <ul style="list-style-type: none"> <li>• The retailer is responsible for any defects to the products sold and must deal with any complaints rather than referring back to the manufacturer.</li> <li>• Lily has the right to proper redress, e.g., repair, refund or replacement.</li> <li>• Goods must be of merchantable quality – of a reasonable standard or quality.</li> <li>• Goods must be fit for the purpose intended – the product must do the exact job it was designed for.</li> </ul> <p><b>(ii) Outline two forms of redress that Lily is entitled to in the above case.</b></p> <ul style="list-style-type: none"> <li>• <b>Refund:</b> A return of the money paid for the product to the consumer. If a consumer purchases a faulty good and complains promptly then he/she is entitled to a full cash refund.</li> <li>• <b>Replacement:</b> An exchange may also be provided, e.g., a new model of the same or similar quality, i.e., an exact match of the product in perfect condition.</li> <li>• <b>Repair:</b> The retailer can offer to fix the faulty product for the consumer.</li> </ul>	<p><b>20m</b></p> <p>4 + 1</p> <p>4 + 1</p> <p>4 + 1</p> <p>4 + 1</p>

(C)	<p><b>(i) Explain the term 'work-to-rule'.</b></p> <p>This is when employees only undertake the exact jobs written in their job description/contract of employment. Workers follow the rules of their employment contracts to the 'letter of the law'.</p> <p><b>(ii) Other than a work to rule, outline one other type of industrial action.</b></p> <p><b>Official Strike:</b> employees do not enter their workplace and refuse to perform their work duties. An official strike involves a secret ballot, proper notification to the employer, and sanction by the ICTU.</p> <p><b>Overtime Ban:</b> employees limit their working time to the hours specified in their contract. Employees refuse to work extra hours. This can cause major disruption, leading to lost orders and lost sales, especially at peak trading times, e.g., a toy shop at Christmas or an airline during seasonal holidays.</p> <p><b>Token Stoppage:</b> a brief stoppage of work by the workers to highlight their frustration over an issue. It highlights their intention to carry the threat of further, more serious action if agreement is not reached.</p>	<p><b>15m</b></p> <p>4 + 1</p> <p>7 + 3</p>
(D)	<p><b>Outline two benefits of good industrial relations in the workplace.</b></p> <ul style="list-style-type: none"> <li>• Employees will be happier, which means they will be more motivated to work hard, which leads to higher productivity for the business.</li> <li>• There will be less absenteeism and lower staff turnover, which saves money for the business.</li> <li>• There will be enhanced communication between employees and employers. Therefore, employees will be more flexible with changes that need to be made in the business.</li> <li>• Good industrial relations mean there will be less chance of employees going on strike; therefore, the business avoids the loss of reputation and profit that a strike can bring.</li> <li>• Encourages intrapreneurship, leading to new ideas and innovative products.</li> </ul>	<p><b>15m</b></p> <p>7 + 3</p> <p>4 + 1</p>

(E)	<p><b>Describe two functions of a trade union.</b></p> <ul style="list-style-type: none"> <li>• To provide a safeguard for members against any unfair management practice by employers towards employees.</li> <li>• To ensure healthy and safe working conditions for their members.</li> <li>• To obtain the best possible wages for its members. They negotiate with the employers and government in seeking general pay rises.</li> <li>• To organise and represent the employees in a dispute with the employer. The trade union will represent both individuals and groups when they are in a dispute.</li> <li>• To promote, defend and protect the interests of their members.</li> <li>• To provide advice – the employees can contact their union for advice on all employment related issues.</li> <li>• To help its members obtain job security and permanent contracts.</li> <li>• To negotiate redundancy settlements – the trade union negotiates redundancy packages if jobs cannot be saved.</li> <li>• To organise industrial action if all negotiations have failed.</li> </ul>	<p><b>15m</b></p> <p>7 + 3</p> <p>4 + 1</p>
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**QUESTION 2:**

	Possible Responses	Marks
(A)	<p><b>Ór-Real Irish Butter operates in the Secondary Sector of the Irish economy.</b></p> <p><b>(i) Explain what is meant by the Secondary Sector.</b></p> <p>The Secondary Sector refers to the manufacturing and construction sector. Raw materials from the primary sector and turned into finished products.</p> <p><b>(ii) Name the two other sectors of the economy.</b></p> <p>Primary Sector</p> <p>Tertiary Sector</p>	<p><b>15m</b></p> <p>3 + 2</p> <p>5</p> <p>5</p>
(B)	<p><b>Outline two challenges facing the secondary sector in Ireland.</b></p> <p>Labour Shortages: Many businesses in the secondary sector, e.g., construction, are finding it difficult to recruit and retain staff. This has had a huge impact on the government's plan to increase housing across the country.</p> <p>Increased regulation: An increase in regulation in the construction industry has led to an increase in the cost of doing business.</p> <p>Inflation: the increased costs of materials and utilities have placed a lot of pressure on businesses. Business costs have increased dramatically in the manufacturing and construction sectors. The cost of raw materials, coupled with the dramatic increase in the price of oil, has all pushed up the cost of manufacturing.</p> <p>Automation: Advances in technology such as CAD (computer-aided design) and CAM (computer-aided manufacturing) mean that firms are able to produce more output but require less staff. This has led to job losses.</p> <p>Competition from low-wage countries: Countries in Asia and Eastern Europe have a lower wage rate than Ireland. This has meant that manufacturing firms have moved from Ireland to these countries. e.g., in 2021, Sudocrem closed its factory in Baldoyle, County Dublin, where it has operated since the 1940s, and moved to Bulgaria.</p>	<p><b>15m</b></p> <p>7 + 3</p> <p>4 + 1</p>

(C)	<p><b>Explain the term ‘co-operative’ as mentioned in the text supplied.</b></p> <p>A co-operative is a business owned and run by a group of people (at least seven) with a common bond. It is owned and controlled by its members. Each member has an equal say on how it is managed, regardless of the amount invested (one person, one vote). The owners of a co-op have limited liability.</p> <p>E.g., Credit Union.</p>	<p><b>10m</b></p> <p>5 + 5</p>
(D)	<p><b>(i) List three taxes, other than corporation tax, collected by the Irish Government.</b></p> <ul style="list-style-type: none"> <li>• VAT (Value Added Tax)</li> <li>• PAYE (Pay As You Earn)</li> <li>• Capital Gains Tax</li> <li>• DIRT (Deposit Interest Retention Tax)</li> <li>• USC (Universal Social Charge)</li> <li>• Excise duty</li> <li>• Import duty</li> <li>• Capital Acquisitions Tax</li> <li>• Local Property Tax</li> <li>• Vehicle Registration Tax</li> <li>• Motor Tax.</li> </ul> <p><b>(ii) Outline one impact of the reliance on corporation tax by the Irish Government.</b></p> <p>Reduced revenue – if the corporation tax revenue is lower than estimated this will result in less money available for Government to spend.</p> <p>No guarantee of income – MNCs and global firms located in Ireland can move out of the country at any time, so it is a risk to be over-reliant on corporation tax receipts from these businesses.</p>	<p><b>20m</b></p> <p>5</p> <p>5</p> <p>5</p> <p>4 + 1</p>



(E)	<p><b>Describe two benefits of a low unemployment rate for the Irish economy.</b></p> <ul style="list-style-type: none"> <li>• Increased tax revenue – Government receives more revenue from income tax.</li> <li>• Decreased Government spending – the Government reduces its spending on social welfare due to the increased number of people working and off the live register.</li> <li>• Business profits increase – employees spend their earnings, therefore, increasing sales and profits for many businesses.</li> <li>• Improved standard of living – employees have higher wealth due to employment and living standards improve.</li> <li>• Improvement in infrastructure – increased Govt revenue should result in better infrastructure in the economy.</li> <li>• Increased FDI – foreign direct investment increases when other businesses see how well Ireland’s economy is doing.</li> <li>• Less emigration – more employment results in less emigration of our young people, reducing the ‘brain drain’.</li> <li>• Increased income for employees will increase consumption spending and raise the standard of living. More VAT revenue for the government.</li> </ul>	<p><b>15m</b></p> <p>7 + 3</p> <p>4 + 1</p>
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### QUESTION 3:

	Possible Responses	Marks
(A)	<p><b>(i) Using the figures provided, calculate the Balance of Payments for Q1 2023. Show your workings.</b></p> <p>Balance of Payments =  Total Exports (visible + invisible) – Total Imports (visible + invisible)</p> <p>Total Exports = €89bn + €83bn = €172bn  Total Imports = €33bn + €85bn = €118bn  Balance of Payments = €172bn – €118bn = <b>€54bn</b></p> <p><b>OR</b>  (€89bn - €33bn = €56bn) + (€83bn - €85bn = – € 2bn) = €54bn [same]</p> <p><b>OR</b>  €172bn – €118bn = €54bn [3 + 3 + 4(2+2)]</p> <p><b>(ii) State whether it is a surplus or deficit.</b></p> <p style="text-align: center;">Surplus</p>	<p><b>15m</b></p> <p>1 + 1 + 1  1 + 1 + 1  4 (2 + 2)</p> <p>5</p>
(B)	<p><b>Outline two benefits of international trade for consumers in Ireland.</b></p> <ul style="list-style-type: none"> <li>• More choice – imports of foreign-produced goods give consumers in Ireland a wider selection and more variety. It provides access to products not available in Ireland.</li> <li>• Price transparency – consumers shopping online can compare prices with other countries. Competition leads to fairer prices.</li> <li>• Better quality products – due to increased competition as result of international trade, the quality of products has improved.</li> <li>• Creates employment – as businesses expand into export markets, more employment opportunities are available.</li> </ul>	<p><b>15m</b></p> <p>7 + 3  4 + 1</p>
(C)	<p><b>Explain any three of the barriers to international trade:</b></p> <p><b>Quota:</b> a limit on the number of a certain good that can be imported into a country.</p> <p><b>Tariff:</b> a tax placed on foreign products. It increases the price of that product to encourage consumers to purchase goods from domestic producers.</p> <p><b>Embargo:</b> a government ban on imports from a particular country.</p> <p><b>Subsidies:</b> money that a government or the EU gives to its own indigenous businesses to allow them to sell their products and services more cheaply.</p>	<p><b>20m</b></p> <p>4 + 3  4 + 3  4 + 2</p>

(D)	<p><b>List two examples of global businesses.</b></p> <p>Apple, Coca-Cola, Amazon, Dell, Nike, Toyota, Microsoft, Intel, HP, Google, Facebook (Meta), VW etc.</p>	<p><b>10m</b></p> <p>7 + 3</p>
(E)	<p><b>Outline two challenges for global businesses when operating in international markets.</b></p> <ul style="list-style-type: none"> <li>• Language difficulties – promotion and advertising campaigns will need to be translated. An acceptable message in one country may be offensive in another when translating marketing/advertising materials.</li> <li>• Cultural differences – different customs in different countries may require the product to be adapted.</li> <li>• Distribution costs – Increased transportation costs due to distance.</li> <li>• Currency and exchange rate fluctuations – currency changes will impact the prices charged by global businesses and may affect competitiveness.</li> <li>• Competition – competition from domestic producers who produce high quality goods.</li> <li>• Taxes and duties charged by other countries outside the EU may increase selling price and reduce demand.</li> <li>• Legislation – product design and standards may need to be adapted to suit the safety laws of different countries.</li> </ul>	<p><b>15m</b></p> <p>7 + 3</p> <p>4 + 1</p>

#### QUESTION 4

	Possible Responses	Marks
(A)	<p><b>Outline three reasons, other than age, for unfair dismissal.</b></p> <p><b>Race</b> An employee cannot be dismissed because of their ethnic background or the colour of their skin.</p> <p><b>Membership of the Traveling Community</b> An employee cannot be dismissed because they are a member of the traveling community.</p> <p><b>Pregnancy</b> A dismissal relating to pregnancy or any matters relating to pregnancy, breastfeeding, or giving birth is deemed unfair.</p> <p><b>Sexual Orientation</b> An employee cannot be sacked because of their sexuality, including being gay, lesbian, or bisexual.</p> <p><b>Trade Union membership</b> An employee cannot be dismissed due to membership of or proposed membership of a trade union or engaging in trade union activities either inside or outside the workplace.</p> <p><b>Beliefs</b> An employee cannot be sacked due to their religious or political opinions.</p> <p><b>Legal procedures against the employer</b> An employee cannot be sacked if they are suing their employer or are a witness in a case against their employer.</p> <p><b>Personal Leave</b> An employee cannot be dismissed because they are availing of legal rights to maternity, caregiver, paternity, adoptive, parental, or force majeure leave.</p> <p><b>Discrimination</b> Gender or disability are not acceptable as reasons for dismissal.</p> <p><b>Making a protected disclosure</b> An employee cannot be dismissed for raising concerns about possible wrongdoings in the workplace.</p> <p><b>Incorrect procedures were followed.</b> If correct procedures are not followed, including giving the employee formal and written warnings, a dismissal will be deemed unfair.</p> <p><b>Unfair selection for redundancy.</b> Redundancy procedures must follow established guidelines.</p>	<p><b>20m</b></p> <p>5 + 2</p> <p>5 + 2</p> <p>5 + 1</p>

(B)	<p><b>Outline one non-legislative method of solving an industrial relations dispute.</b></p> <p><b>Meeting/Talk:</b> The employee and the employer can meet to discuss the issue and try to resolve the problem. The shop steward might meet with the HR manager to discuss an issue affecting an employee or group of employees.</p> <p><b>Negotiation:</b> This involves both parties sitting down together to discuss the issue. Each side sets out their position and tries to find a solution that they can both accept. It involves bargaining where both sides must give up something.</p> <p><b>Mediation:</b> A third party becomes involved and tries to open communication between the parties involved in the conflict.</p> <p><b>Conciliation:</b> This is when an independent third party listens to both sides of a dispute and tries to get the parties to see each other's point of view and tries to help them negotiate a solution. The parties agree a solution themselves.</p> <p><b>Arbitration:</b> This is when an independent third party listens to both sides in a dispute and makes a recommendation to solve the problem. Normally, the parties agree in advance to accept the recommendation.</p>	<p><b>10m</b></p> <p>7 + 3</p>
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(C)	<p><b>Explain two of the following practices prohibited by the Consumer Protection Act 2007.</b></p> <p><b>(i) False or misleading advertising</b> A business cannot give wrong information to customers when comparing its goods with its competitors' goods. It must be clear on what is included in the purchase of a product and what consumers should expect.</p> <p><b>(ii) False product descriptions</b> A business cannot mislead customers about the origin of a product, the previous usage of a product, sell fake/counterfeit items claiming they are real and cannot make false claims about an award/prize.</p> <p><b>(iii) False pricing</b> A business must be truthful about the actual price, the previous price and the recommended retail price to consumers. A good advertised in a sale must have been at a higher price for 28 consecutive days in the previous three months.</p>	<p><b>15m</b></p> <p>7 + 3</p> <p>4 + 1</p>
(D)	<p><b>Name the organisation responsible for enforcing the Consumer Protection Act 2007.</b></p> <p>Competition and Consumer Protection Commission (CCPC).</p>	<p><b>10m</b></p> <p>3 + 3 + 2 + 2</p>

(E)	<p><b>Explain three of the following elements of a legal contract:</b></p> <p><b>(i) Consideration</b></p> <p>This is the item of value that passes between both parties in a legal contract, e.g. a house is sold for €300,000 – the house and the money are the consideration.</p> <p><b>(ii) Capacity to Contract</b></p> <p>A person entering into a legal contract must have the legal capacity to do so: over 18, of sound mind, not under the influence of alcohol/drugs.</p> <p><b>(iii) Consent to Contract</b></p> <p>All parties entering a contract must do so of their own free will – they cannot be forced or coerced into the contract.</p> <p><b>(iv) Legality of Purpose</b></p> <p>Contracts must be within the law – a contract cannot be made for illegal/criminal activities.</p>	<p><b>20m</b></p> <p>4 + 3</p> <p>4 + 3</p> <p>4 + 2</p>
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**QUESTION 5:**

	Possible Responses	Marks
(A)	<p><b>Explain one risk and one reward for entrepreneurs who set up their own business.</b></p> <p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>• Financial problems / No guaranteed income / possible bankruptcy – a failed business can result in huge financial difficulties for an entrepreneur.</li> <li>• Hard to raise finance/acquire loans – might find it difficult to raise finance for the business.</li> <li>• Stress – must work long hours to get business going. Setting up a new business can cause a lot of stress and possible burnout.</li> <li>• Competition – may not be able to compete with existing businesses in terms of quality of service and price, thus reducing sales and profits.</li> <li>• Business failure – the business model might not be successful, forcing the business to close down. The entrepreneur risks their reputation if the business does not succeed.</li> </ul> <p><b>Rewards:</b></p> <ul style="list-style-type: none"> <li>• Financial rewards – a successful business can generate good profit for the entrepreneur.</li> <li>• Independence – the entrepreneur has control over their own working life and makes decisions to suit themselves.</li> <li>• Satisfaction – the challenge of setting up a business is rewarded if the business is successful.</li> <li>• Generating wealth for others – providing employment, spin-off business creation etc.</li> <li>• Employment creation – creating jobs in an area can be very rewarding.</li> <li>• Flexibility – choosing own working hours, running their own business as they see fit.</li> <li>• Positive impact on society – supporting local community, job creation.</li> </ul>	<p><b>15m</b></p> <p>4 + 4</p> <p>4 + 3</p>



<b>(B)</b>	<b>(i) Maslow's Hierarchy of Needs. Identify the missing stages labelled 1 and 4.</b>	<b>20m</b>
	1. Physiological/Basic human needs	7
	4. Esteem needs	3
	<b>(ii) Using the information from the supplied text, identify how Blizzard Entertainments satisfies their employees safety needs and social needs.</b>  <b>Safety needs:</b> Blizzard offers its employees a comprehensive healthcare and insurance package.  <b>Social needs:</b> All offices at Blizzard have company-wide team events.	5  5
<b>(C)</b>	<b>Outline two benefits for a business of managers using a democratic leadership style.</b>  <ul style="list-style-type: none"> <li>• High staff morale: employees will be more motivated, which leads to higher productivity.</li> <li>• Intrapreneurship: staff may come up with innovative ideas for the business.</li> <li>• Low staff turnover as staff are happy.</li> <li>• Low absenteeism on a regular basis.</li> <li>• Delegating work prepares staff for promotion.</li> <li>• Makes use of everyone's skills and talents, which fulfils employees esteem needs.</li> <li>• The manager has more time to concentrate on important things and avoids the risk of burnout.</li> </ul>	<b>15m</b>  7 + 3  4 + 1

<b>(D)</b>	<b>Outline two disadvantages of working in teams.</b> <ul style="list-style-type: none"> <li>• Conflict – team members who do not work well together, unable to reach agreement etc. – can result in failure of a project, poor staff morale etc.</li> <li>• Slow decision making – all team members must have opinions/ideas heard which may result in decisions taking too long to be made</li> <li>• Dominant team members – some team members may only want their voices heard and will not listen to others' ideas/opinions.</li> <li>• Teams that are all talk and no action – some teams may not fulfil all that they set out to do, the team meeting are a talk shop and not enough work is actual completed.</li> </ul>	<b>15m</b>  7 + 3  4 + 1
<b>(E)</b>	<b>Outline one duty Blizzard have as a data controller in relation to their customers' data under General Data Protection Regulation (GDPR).</b> <ul style="list-style-type: none"> <li>• Use data for specified purpose – information from an individual can only be used for the purpose it was taken.</li> <li>• Obtain data fairly – customer's need to be made aware why data is being collected.</li> <li>• Keep data safe and secure – businesses have an obligation to store data safely and reduce risk of unauthorised access.</li> <li>• Delete data – businesses must delete customer data once the data has been used for the specified purpose.</li> <li>• Provide data upon request – individuals have the right to access their data within 30 days of a request.</li> </ul>	<b>10m</b>  7 + 3

**QUESTION 6:**

	Possible Responses	Marks
(A)	<p><b>Outline two benefits to customers of using apps for banking services.</b></p> <ul style="list-style-type: none"> <li>Convenient – apps allow customers to access their accounts 24/7 reducing the necessity to visit bank branches which are open only for office hours on weekdays.</li> <li>Saves time and money – customers can undertake a variety of banking transactions via their apps without having to take time to attend a branch.</li> <li>Access to savings and loan facilities – customers can save money and apply for loans via their banking apps with quick approval.</li> <li>Up to date information – bank balances are updated daily and can be checked anytime on the app.</li> </ul>	<p><b>15m</b></p> <p>7 + 3</p> <p>4 + 1</p>
(B)	<p><b>Name and explain two insurances that a household could have, other than motor insurance.</b></p> <p><b>Property/House/Building insurance</b> – to cover financial loss to the buildings in the event of fire, flooding, burglary or damage.</p> <p><b>Contents Insurance</b> – protects against damage to home furniture and equipment in the event of fire, flooding or theft.</p> <p><b>Health insurance</b> – covers an insured person for costs of doctors' visits, hospital procedures, etc.</p> <p><b>Pet insurance</b> – covers partial costs of VET visits, procedures etc. for household pets.</p> <p><b>Mortgage Protection insurance</b> – in the event of one party in a mortgage passing away during the lifetime of the mortgage, this insurance clears the outstanding mortgage balance.</p> <p><b>Life Assurance</b> – pays out a lump sum to family members upon death of the insured person.</p> <p><b>Public Liability Insurance</b> – protects the business from claims made by members of the public for accidents on the premises.</p> <p><b>Gadget insurance</b> – covers loss/damage to devices such as smartphones.</p> <p>Also: Travel Insurance, Salary Protection Insurance.</p>	<p><b>15m</b></p> <p>7 + 3</p> <p>4 + 1</p>



**QUESTION 7:**

	Possible Responses	Marks
(A)	<p><b>Explain two different types of rewards (financial or non-financial), other than wages, that employers can offer employees.</b></p> <ul style="list-style-type: none"><li>• Benefit in kind: non-cash form of income, e.g., car, laptop</li><li>• Bonus: an extra payment for reaching a target.</li><li>• Share ownership scheme: the option for employees to purchase shares in the business at a discounted price</li><li>• Promotion: a higher position within the business</li><li>• Job enrichment: This means providing employees with greater responsibility and input into decision-making.</li><li>• Job enlargement: this means increasing the variety of tasks to relieve boredom.</li><li>• Profit sharing: employees are given a share of the profits.</li><li>• Flexitime allows employees the freedom to choose their own hours within an agreed-upon timeframe.</li><li>• Overtime: extra pay for working extra hours above the set working week.</li><li>• Job sharing: two employees share a position.</li><li>• Commission – sales personnel earn a percentage of the products' sale value.</li></ul>	<p><b>15m</b></p> <p>7 + 3</p> <p>4 + 1</p>

(B)	<p><b>Explain any two of the following functions of a Human Resource Manager:</b></p> <p><b>Manpower Planning</b></p> <p>This is making sure the business has the right number of staff with the right skills in the right place at the right time. It involves forecasting future staffing needs. It involves auditing the present manpower levels, forecasting future staffing needs, and planning to increase or decrease the number of employees.</p> <p><b>Training and Development</b></p> <p>Training involves supplying the skills, knowledge and attitudes needed by employees to do their jobs better. Training can include induction, on-the-job training, and off-the-job training.</p> <p>Development refers to improving the whole person as opposed to just teaching the worker the skills of the job. Development provides additional skills that prepare employees for more challenging work and promotions.</p> <p><b>Performance Appraisal</b></p> <p>This is a review of an employee's progress over a specific period of time. Employees performance is measured in relation to the targets set and are rewarded accordingly. It is undertaken by Human Resource Management to identify the quality of the work, potential of the employee, training needs, rewards, etc. It usually takes the form of an interview.</p>	<p><b>15m</b></p> <p><b>7 + 3</b></p> <p><b>4 + 1</b></p>
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(C)	<p><b>The Human Resource Manager must prepare a job description and a person specification before recruiting new staff.</b></p> <p><b>(i) List two items in a job description.</b></p> <p>This document shows details of the position/vacancy to be filled, including</p> <ul style="list-style-type: none"> <li>• Job Title</li> <li>• Details of the work</li> <li>• Place of work</li> <li>• Duties and responsibilities</li> <li>• Salary and conditions</li> <li>• Working hours</li> <li>• Person to whom the applicant will report</li> </ul> <p><b>(ii) List two items in a person specification.</b></p> <ul style="list-style-type: none"> <li>• Skills</li> <li>• Qualities/Characteristics</li> <li>• Work experience</li> <li>• Qualifications</li> </ul>	<p><b>20m</b></p>     <p>5</p> <p>5</p>     <p>5</p> <p>5</p>
(D)	<p><b>Outline two negative impacts that technology has on employees.</b></p> <ul style="list-style-type: none"> <li>• Redundancies may occur due to the replacement of employees with technology. New electronically operated machinery or equipment that can now conduct the work of humans will result in job losses and possible industrial relations issues.</li> <li>• New technology can change how employees perform their duties. Employees need to receive training to ensure that they can carry out their tasks.</li> <li>• Employees' health and well-being may be affected by technology. Increased exposure to technology may have an impact on eyesight, back strain, sleep issues, and overall health.</li> </ul>	<p><b>15m</b></p>     <p>7 + 3</p>     <p>4 + 1</p>
(E)	<p><b>Explain the term 'Employee Empowerment'.</b></p> <p>Employee empowerment involves management giving employees the power and freedom to make decisions on their own. It involves giving employees responsibilities for certain processes in the workplace, reducing management workload, while motivating employees.</p>	<p><b>10m</b></p>     <p>7 + 3</p>

**QUESTION 8:**

	Possible Responses	Marks
(A)	<p><b>(i) Explain the term 'mass production'. Use an example to illustrate your answer.</b></p> <p>Mass production involves the production of identical products on a large scale, using a continuous automated system. Products are made in huge volumes for stock, which leads to economies of scale.</p> <p>Example: Tinned goods, confectionary, household cleaning supplies.</p> <p><b>(ii) Name one other production method.</b></p> <p>Job Production</p> <p>Batch Production</p>	<p><b>15m</b></p> <p>6</p> <p>4</p> <p>5</p>
(B)	<p><b>(i) Explain the term 'wholesaler'.</b></p> <p>The wholesaler (middleman) purchases goods in large bulk from manufacturers. They break down the bulk and sell it in smaller quantities to the retailer.</p> <p><b>(ii) Illustrate, using a diagram, a channel of distribution that includes a wholesaler.</b></p> <div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;"> <p>MANUFACTURER      3</p> <p>↓</p> <p>WHOLESALER      3</p> <p>↓</p> <p>RETAILER      2</p> <p>↓</p> <p>CONSUMER      2</p> </div> <div style="text-align: center;"> <p>MANUFACTURER      3</p> <p>↓</p> <p>WHOLESALER      3</p> <p>↓</p> <p>RETAILER / CONSUMER      4</p> </div> </div>	<p><b>20m</b></p> <p>6 + 4</p> <p>10</p>
(C)	<p><b>Explain, using an example, the term 'own-brand products'.</b></p> <p>Own-brand products are products that carry the name and logo of the shop that sells them, usually at a cheaper price.</p> <p>Example: Super Valu Bio Washing Powder, Super Valu Cornflakes.</p>	<p><b>10m</b></p> <p>6</p> <p>4</p>



(D)	<p><b>Outline two sales promotion techniques that retailers such as SuperValu could use to increase sales.</b></p> <p><b>Competitions</b> – retailers use competitions as a method of increasing footfall/sales. This may take the form of in-store competition, collection of coupons etc.</p> <p><b>Loyalty cards</b> – loyalty cards are a very popular method of increasing sales. Customers receive large discounts, money off vouchers etc. as they spend.</p> <p><b>Buy-one-get-one-free / 3 for 2 offers</b> – upselling certain products by offering an extra product free.</p> <p><b>Free gift/samples</b> – offering a free gift with the purchase of certain items or free samples of a product to encourage consumption.</p>	<p><b>15m</b></p> <p>7 + 3</p> <p>4 + 1</p>
(E)	<p><b>Outline two benefits for SuperValu of sponsoring the All-Ireland Football Championship.</b></p> <ul style="list-style-type: none"> <li>• Brand recognition/exposure – the SuperValu brand is exposed to a wide audience with attendance and television viewers of the football championship.</li> <li>• Customer loyalty – customers support organisations who sponsor events etc. which results in increased sales.</li> <li>• Reduces tax – sponsorship is an expense of the business which reduces the net profit, therefore reducing corporation tax bill.</li> <li>• Improved public relations/goodwill – creates a positive profile for the organisation by sponsoring national games.</li> </ul>	<p><b>15m</b></p> <p>4 + 4</p> <p>4 + 3</p>

### QUESTION 9:

Possible Responses		Marks
(A)	<p><b>(i) Outline one method of idea generation that a business like Keogh's might use.</b></p> <ul style="list-style-type: none"> <li>• Research and Development: A specific R&amp;D department is responsible for coming up with ideas.</li> <li>• Market Research: A business can survey consumers to get feedback and look for ideas.</li> <li>• Competitors: copy, adapt, or improve a competitor's product or service.</li> <li>• Brainstorming: Employees come together, and bounce ideas off each other.</li> <li>• Import Substitution: An Irish entrepreneur or business makes a product that is currently being imported.</li> <li>• Customer feedback: Listen to what customers want and make a product to suit their needs.</li> <li>• Trade Fairs: Businesses may attend trade shows to inspire them to make new products.</li> <li>• Intrapreneurship: Employee who is innovative and enterprising within a business. An employee develops new ways of doing things and new product ideas.</li> <li>• Foreign Travel – An entrepreneur may spot a successful product/service abroad and set up similar in Ireland.</li> <li>• Internet/Media – ideas from newspapers, TV, radio, websites.</li> <li>• Trends – An entrepreneur will keep an eye on market trends to identify a new product/service.</li> </ul>	<p><b>15m</b></p> <p>7 + 3</p>
	<p><b>(ii) Explain the term 'prototype development'.</b></p> <p>Prototype Development involves making a mock-up or first working example of a product. It is done to show that the product can actually be made, to identify possible changes required and to test it on potential customers.</p>	<p>4 + 1</p>

<b>(B)</b>	<p><b>Outline two reasons why a business would conduct market research before launching a new product.</b></p> <ul style="list-style-type: none"> <li>• To find out more about competitors and produce a better product to stay ahead of its competitors.</li> <li>• To find out customers' needs and want, to identify trends and produce a product that satisfies that need.</li> <li>• To help determine the appropriate price to charge – the price the target market is willing to pay.</li> <li>• It can be used to test customer reaction to a product which reduces the risk of the product failing.</li> <li>• To identify and provide information on the target market. The business will aim the product at this group and reduce possible waste of cash.</li> <li>• To find out the size of the market and the potential of the market.</li> <li>• To find out the best type of promotion to use to attract customers.</li> <li>• Products can be tested on potential customers to obtain feedback on possible improvements.</li> </ul>	<p><b>15m</b></p> <p>7 + 3</p> <p>4 + 1</p>
<b>(C)</b>	<p><b>Explain two functions of product packaging for a business like Keogh's.</b></p> <ul style="list-style-type: none"> <li>• Attract attention: packaging can help a product be instantly recognisable. Innovative packaging can get the attention of the customer.</li> <li>• Protection: keep the product safe. Packaging should protect the product and preserve its quality.</li> <li>• Provide information: packaging will provide information such as instructions for use, ingredients, best-before dates, etc.</li> <li>• Convenience: packaging allows a business to offer consumers variations of the product to suit their needs, e.g., resealable packets.</li> <li>• Image: The colour, shape, and design used on the packaging can portray a certain image of the product.</li> </ul>	<p><b>15m</b></p> <p>7 + 3</p> <p>4 + 1</p>

<b>(D)</b>	<p><b>Outline two reasons why a business may choose to expand.</b></p> <ul style="list-style-type: none"> <li>• Economies of scale: A business may expand in order to reduce costs. The more products the business produces, the lower the cost of making each one.</li> <li>• Diversification: To defend itself from possible market saturation or competition, a business may diversify. This involves entering an entirely different market. The business may purchase another firm or start providing a product or service in a completely unrelated area. This helps spread the risk of failure in one particular market.</li> <li>• Increase sales and profitability: Expansion can increase profitability and financial strength in the business.</li> <li>• Eliminate competition: A business might merge with or takeover a competitor in order to maintain market share.</li> <li>• Ambition: Some businesspeople are very ambitious and like challenges. They may want to be the most successful in their industry or make a lot of money. They may want to build an empire and expand in order to do this.</li> <li>• Protect supplies: A business may expand by purchasing its supplier. This is known as backward vertical integration.</li> </ul>	<p><b>15m</b></p> <p>7 + 3</p> <p>4 + 1</p>
<b>(E)</b>	<p><b>Explain any two long-term sources of finance from the list below that Keogh's may use to fund the expansion.</b></p> <p>(i) Grant (ii) Long-term Loan (iii) Share Capital</p> <p><b>Grant</b></p> <p>This is a non-repayable sum of money given to a business by government agencies such as Enterprise Ireland and Local Enterprise offices to fund expansion. There are no repayments or interest charges on the grant. Grants should only be used for designated purposes, and sometimes conditions are attached.</p> <p><b>Long-term loan</b></p> <p>Borrowings of over five years are secured on the fixed assets of the business. Specified rate of interest and repayment date.</p> <p><b>Share capital</b></p> <p>This is the money provided by investors, known as shareholders. They are the owners of the business and receive a percentage of profit called a dividend. No security is required.</p>	<p><b>15m</b></p> <p>4 + 4</p> <p>4 + 3</p>







