

Feb Exam revision questions

Use your notes, textbook and the PowerPoints provided to help you answer the questions below.

Explain why the following business documents are used:

(a) Letter of enquiry: _____

(b) Quotation: _____

(c) Order: _____

(d) Delivery docket: _____

(e) Invoice: _____

(f) Credit note: _____

(g) Debit note: _____

(h) Statement of account: _____

(i) Receipt: _____

(a) Why do buyers look for quotes from a number of sellers?

(b) What are the main pieces of information you can obtain from a quotation?

Invoice question:

The Desk and Easel, Main Street, Donegal Town, Co. Donegal, received the following goods along with invoice no. 28 on 15 April 2022 from Sligo Office Suppliers Ltd: 12 filing cabinets, model FC 234, @ €100 each; 30 office desks, model OD 9845, @ €125 each; 15 office chairs, model OC 4536, @ €70 each. Trade discount is 10% and VAT is charged on all items at 23%. Complete invoice no. 28. The order number was 456.

Invoice no. _____				
Sligo Office Supplies Ltd				
Bridge Street, Sligo, Co. Sligo Tel (071) 9356724				
Email lob@os.ie Web www.os.ie VAT reg no. IE5689230				
Date: _____		Order no. _____		
To: _____		_____		
Quantity	Description	Model no.	Price €	Total €
Carriage paid E&OE		Total (excluding VAT)		
		Trade discount 10%		
		Subtotal		
		VAT 23%		
		Total (including VAT)		

- List and explain the four factors of production, provide an example of each and name the reward associated with each factor.

Factor	Explanation	Example	Reward

4. (a) In each case below, identify the opportunity cost and the financial cost. The first one has been done for you as an example.

		Opportunity cost	Financial cost
	Joseph has received €20 as a birthday gift from his grandparents. He would like to buy a game for his console or a new shirt, but both cost €20. He decides to buy the shirt.	The game for his console	€20
(i)	William has saved his pocket money for the past year. He would like to buy a new games console, which costs €200, and a new phone costing €220, but he doesn't have enough saved to buy both. He decides to buy the phone.		
(ii)	Aneta has €10 to spend and would like to go to the cinema or have lunch with her friends. She decides to go for lunch with her friends.		
(iii)	McGonagle Windows Ltd would like to hire a new sales rep at a salary of €50,000 and invest in new machinery to improve manufacturing efficiency at a cost of €45,000. The business can access funding for only one of these. Management decides to invest in the machinery.		

- Distinguish between the three different types of economic systems, providing an example in each case.

Economic system	Explanation	Example

Identify one advantage and one disadvantage of a centrally planned economy.

(a) Advantage: _____

(b) Disadvantage: _____

Identify one advantage and one disadvantage of a free market economy.

(a) Advantage: _____

(b) Disadvantage: _____

Identify one advantage and one disadvantage of a mixed economy.

(a) Advantage: _____

(b) Disadvantage: _____

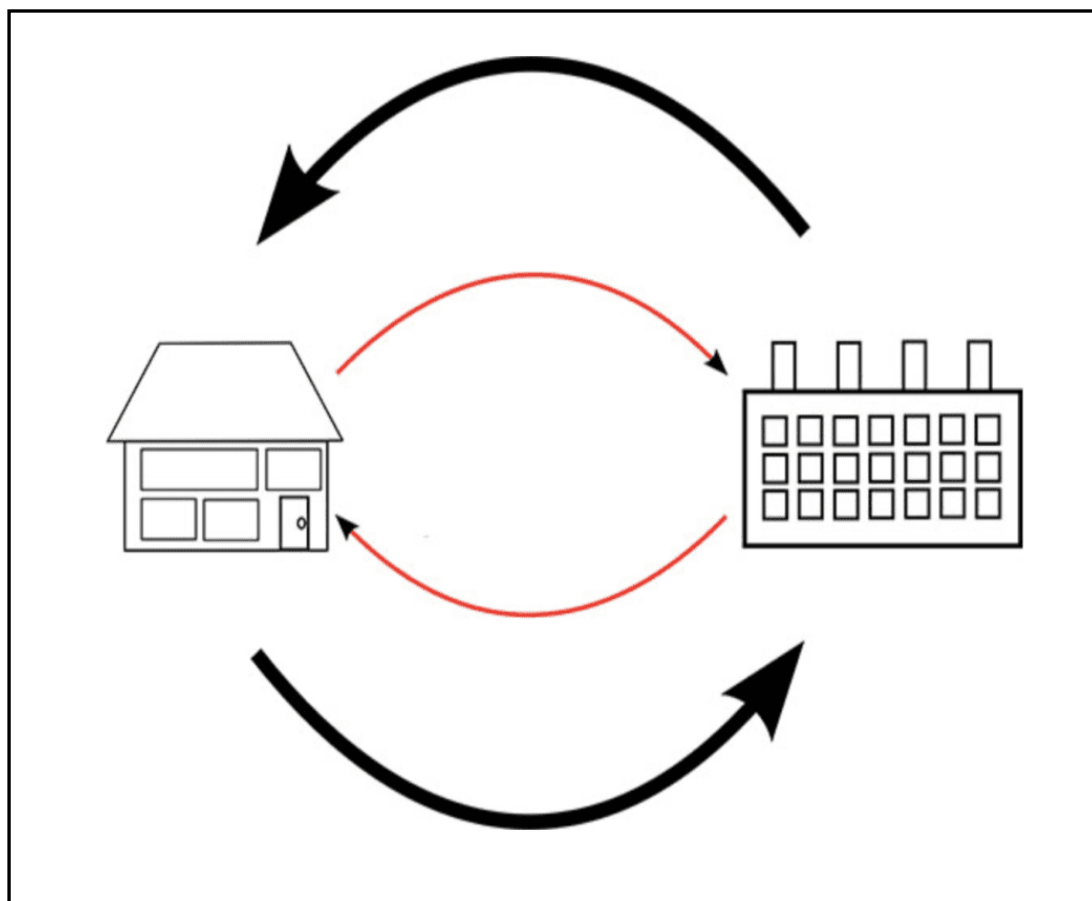
7. Distinguish between the public, private and third sector (voluntary sector) of the economy.

Public sector	
Private sector	
Third sector (voluntary sector)	

14. Tick (✓) the appropriate box to show whether each of the following organisations is in the public sector, private sector or third sector.

Organisation	Public sector	Private sector	Third/voluntary sector
Dunnes Stores			
Galway City Council			
Tyrellspass GAA Club			
Microsoft			
Dogs Trust			
RTE			
Clonmel fire station			

In the box below label the arrows to show the circular flow of income.



Give **three** reasons why demand for goods or services might decrease.

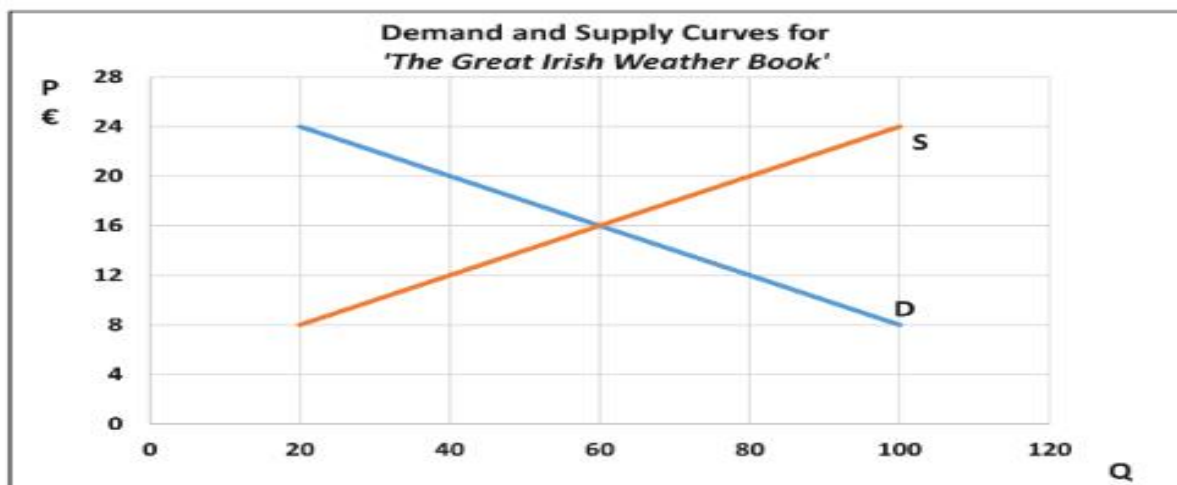
- (i) _____
- (ii) _____
- (iii) _____

Give **three** reasons why the supply of goods or services might increase.

- (i) _____
- (ii) _____
- (iii) _____

11. For each of the following, identify a substitute good and a complementary good.

	Substitute good	Complementary good
Latest model of Xbox games console		
Latest model of Surface tablet		
Latest model of iPhone		
Subway sandwich		
Volkswagen Golf		
Canon colour printer		
Fitbit		
A 10-day holiday in France		



Use the above diagram to answer **each** of the following questions.

Write your answers in the spaces provided.

(i) Indicate the quantity supplied of 'The Great Irish Weather Book' at €20.

(ii) Indicate the quantity demanded of 'The Great Irish Weather Book' at €8.

(iii) Indicate the equilibrium price of 'The Great Irish Weather Book'.