O'DRISCOLL HOUSEHOLD	ORIGINAL BUDGET				REVISED BUDGET				
	JULY	AUG	SEPT	TOTAL	JULY	AUG	SEPT	TOTAL	
PLANNED INCOME	€	€	€	€	€	€	€	€	12 figures at ½ mark each = **6m** (excl. totals)
Ms O' Driscoll	4,200	4,200	4,200	12,600	4,830	4,830	4,830	14,490	
Mr O' Driscoll	1,600	1,600	1,600	4,800	-	-	1,600	1,600	
Child Benefit	420	420	420	1,260	420	420	420	1,260	
Other					75	-	-	75	
TOTAL INCOME	6,220	6,220	6,220	18,660	5,325	5,250	6,850	17,425	
PLANNED EXPENDITURE									
Fixed									
Mortgage	750	750	750	2,250	750	750	765	2,265	
Loan Repayments	525	525	525	1,575	525	5,100	-	5,625	
Insurance	135	135	135	405	135	162	162	459	
Subtotal	1,410	1,410	1,410	4,230	1,410	6,012	927	8,349	
Irregular									33 figures at ½ mark = **16 ½** (excl. sub totals and total exp.)
Household Costs	1,840	1,840	1,840	5,520	1,564	1,564	1,564	4,692	
Car Costs	225	225	225	675	225	225	225	675	
Light and Heat Costs	300		260	560	300	-	260	560	
Telephone Costs	110	110	110	330	110	110	110	330	
Subtotal	2,475	2,175	2,435	7,085	2,199	1,899	2,159	6,257	
Discretionary									
Entertainment Costs	300	300	300	900	165	165	300	630	
Presents	280		260	540	280	-	260	540	
Holiday		3,000		3,000	-	-	-	-	
Subtotal	580	3,300	560	4,440	445	165	560	1,170	
TOTAL EXPENDITURE	4,465	6,885	4,405	15,755	4,054	8,076	3,646	15,776	
Net Cash	1,755	(665)	1,815	2,905	1,271	(2,826)	3,204	1,649	**1 m**
Opening Cash	(800)	955	290	(800)	(800)	471	(2,355)	(800)	4 × ½ **2 m**
Closing Cash	955	290	2,105	2,105	471	(2,355)	**849**	**849**	Both correct **2½ marks**
									Total 28 marks

For use in answering Section B – Question 1 (B)	

(i)	Calculate the percentage increase.	Marks

Answer:	**Workings**:	
15%	4,830 – 4,200 **[1]** = 630 $\dfrac{630}{4,200}$ × $\dfrac{100}{1}$ = 15% **Or** 14,490 – 12,600 [1] = 1,890 1,890/12,600 × 100 = 15%	**1 m**

(ii)	Explain the term 'Discretionary Expenditure'.	
This is expenditure on non-essential items/items which we choose to buy.		**1 m**

(iii)	In the Original Budget, name a month in which planned income is greater than planned expenditure.	
Answer:	July or September	**1 m**

(iv)	In the Original Budget, how much did the O' Driscoll household expect to save in the three months?	
Answer: €2,905		**2 m**

(v)	Is the Revised Budget a good one?	YES	✓	*(Please tick appropriate box.)*	**1 m**
		NO			

Give **one** reason for your answer.	
Reason 1:	
- They expect to reduce their discretionary expenditure from €4,440 to €1,170. - They expect to clear the loan by paying off €5,100. - They expect to have a debt of €800 at the start and to have €849 to their credit at the end - They expect income to fall and to have €849 at the end. - They expect to save €1,649 after repaying their loan.	**6 m**

	Total	**12 m**
	Total Q.1	**40 m**

Question 2 Club Account

(A) (i)

			Marks
Bar Trading Account of the Oars Rowing Club for the year ended 31/12/2016			**[2]**
Sales		19,260	5 figures × 1 m **5 m**
Less cost of sales			
Opening Stock	2,100		
Purchases	15,300		
	17,400		
Less closing stock	2,280	15,120	
Gross Profit		4,140	1 m for word 2m for figure (1 m for OF)
		Total Marks	**10 m**

(ii)

				Marks
Income and Expenditure Account of the Oars Rowing Club for the year ended 31/12/2016				**2 m**
Income	€	€	€	1 m
Bar gross profit		4,140		5 figures × 1 = 5m *2 figures × 2m excl. total **9 m**
Regatta profit (8270 – 3210)		5,060*		
Subscriptions	9,760			
Add subscriptions due	240	10,000		
Fundraiser profit (9620 – 2670)		6,950*		
Sponsorship		1,700	27,850	
Less Expenditure				1 m
Insurance		6,260		9 figures × 1 = 9m excl. total
Depreciation: equipment		2,505		
Equipment repairs		140		
General expenses	5,740			
Less expenses prepaid	720	5,020		
Light and heat	6,210			
Light and heat due	210	6,420	20,345	
Excess/ surplus of income over expenditure			7,505	**2 m** (1 for words and 1 for figure)
			Total Marks	**24 m**

(34 marks)

(B) (i) Treasurer 2 marks

(ii)

- The club could apply for a grant which is an amount of money that does not have to be repaid.

- The club could get a community loan from the local Credit Union, which is a special loan provided by Credit Unions for community organisations at lower rates of interest.

- The club could get sponsorship which means that a local business or wealthy local person provides money for the club.

- The club could get a medium or long term loan. These are loans which have a repayment period greater than one year.

- The club could impose a levy on members. This is a charge on club members for an amount of money which is for a specified purpose.

1 mark for stating and 3 marks for explaining.
4 marks

(6 marks)
Total 40 marks

Question 3 Economic Growth and International Trade

(A) (i) Gross Domestic Product 3 marks

(ii) **Three** benefits of EU membership for Ireland.

- Ireland has access to a larger market for exports.
- Freedom of movement means people (including workers) can move freely between EU states.
- Ireland was able to avail of bailout funding during the financial crisis/ECB.
- Ireland receives grants towards infrastructural projects/agriculture.
- The European Investment Bank will provide funding for house building in Ireland.
- There is more competition and cheaper prices for Irish consumers.
- Ireland is an attractive place for foreign direct investment.
- Free movement of goods and services between member states.
- Access to a single currency.
- Fosters links between member states.

(Benefits 3 × 3) = 9 marks

(iii) One effect on exporters to Britain:

- Britain may introduce tariffs on goods exported from other EU states.
- Irish goods may be more expensive in Britain.
- The exchange rate between sterling and the euro will be unstable.
- Increase in costs due to more paper work, custom checks and delays.

3 marks

One effect on people travelling to Britain:

- Visas and passports may be required to travel to Britain.
- There may be more border controls and security checks.

3 marks

(18 marks)

(B) Effects of an increase in economic growth.

(i) Employment will increase/more jobs will be created/unemployment rate will decrease.
(ii) Payment of social protection will decrease/increase.
(iii) Government income will increase.

3 x 2 marks = *(6 marks)*

(C) **(i)** Visible exports refers to the **sale of physical goods to other countries** e.g. dairy products whereas

Invisible exports refers to the **sale of services to other countries**
e.g. Irish bands performing overseas or tourists visiting Ireland.

(Explanations 2 × 2m)
(Examples 2 × 1m)

(ii) Balance of Trade and balance of Payments:

		Marks
Balance of Trade		1 m
Visible Exports	€3,620m	3 × 1m
Visible Imports	€3,330m	1 m for the word
Surplus	€290m	surplus
	Total	5 m

		Marks
Balance of Payments		1 m
Total Exports	€6,290m	3 × 1m
Total Imports	€5,930m	1 m for the word
Surplus	€360m	surplus
	Total	5 m

(16 marks)
Total 40 marks

Alternative

Visible Exports	3,620m	
Visible Imports	3,330m	
Balance of trade surplus		290m
Invisible Exports	2670m	
Invisible Imports	2600m	
Net invisible earnings		70m
Balance of payments surplus		360m

Question 4 Insurance Question

(A) (i)

<div align="right">

High Street
Birr
Co. Offaly

</div>

Ms Lisa Bergin
Rosemary Street
Roscrea
Co. Tipperary

<div align="right">

15 May 2017

</div>

<div align="center">

Re: Endowment and Whole Life Assurance

</div>

Dear Lisa/Dear Ms Bergin,

I am writing following your request seeking information on the difference between Endowment and Whole of Life Assurance policies.

Endowment Assurance is where an agreed amount of money is paid when the insured reaches a certain age or on the death of the insured whichever occurs first. Whole Life Assurance is where an agreed amount of money is paid to the person's dependants when the person dies.

If you need any further advice please do not hesitate to contact me.

Yours sincerely

_____

David Long/David

Marking scheme for letter	
2 addresses × 1	2m
Date × 1	1m
Re: × 1	1m
Opening salutation × 1	1m
Closing salutation × 1	1m
Signature	1m
Layout of letter total	7m

Opening statement 2m, closing statement 2m	4m
Difference explained 2 × 3	6m
Neatness and presentation	1 + 1m
Total	19 marks

Question 4

    (ii)   See Section A, page 11.   10 marks

    (iii)   Actuary   3m

(32 marks)

(B)

House	$\dfrac{240,000\ [½]}{15,000\ [½]}$	= 16	× €16 [½]	=		€256.00 [1]
Contents	$\dfrac{70,000\ [½]}{5,000\ [½]}$	= 14	× €28 [½]	= €392.00 [1]		
Less Discount	15% of contents €392.00 [1] OF			=	(€58.80)	€333.20 [1]
Premium						€589.20 [1]
					Total Marks	***8 m***

Total 40 marks

	Summary of Marks		
(A)	Letter	19 marks	
	Form	10 marks	
	Actuary	3 marks	
(B)	Insurance calculation	8 marks	
		Total Marks	40 marks

Question 4 (A) (ii)

Quad Life Insurance Limited Proposal Form			
Please answer all questions fully and truthfully			
Name	Lisa Bergin		1 m
Address	Rosemary Street, Roscrea, Co. Tipperary		1 m
Age	41	**Single** ☐ **Married** ☑	Age 1 m Marital status ½ m
Sex **Male** ☐ **Female** ☑		**Occupation** Soldier	½ m + ½ m
Type of policy required *(Please tick)* **Endowment Policy** ☐ **Whole Life Policy** ☑			½ m
Value of Life Assurance required		€ 250,000	½ m
Please tick the appropriate box			
1. Are you in good health?		**Yes** ☑ **No** ☐	½ m
2. Do you smoke?		**Yes** ☐ **No** ☑	½ m
3. Do you consume alcohol?		**Yes** ☐ **No** ☑	½ m
4. Are you likely to engage in a hazardous occupation or hobby?		**Yes** ☑ **No** ☐ **If Yes, give details** Parachute Jumping/Soldier	½ m + ½ m
Method of Payment		Direct Debit	½ m
Declaration: **I declare that all the information given above is true and complete.** **Signature**: *Lisa Bergin* **Date**: 13 June 2017			Signature ½ m Date 1 m
		Total	10 m

Question 5 Banking

(A) (i) Margaret's account is a current account because of the following items:

- Cheques
- Standing Orders
- Direct Debits
- Bank Charges
- Bank overdraft

<div align="right">Current account 1 m
One reason 2 m</div>

(ii) DR appears on this statement as Margaret's account is overdrawn.
She does not have sufficient funds in her account/she had permission from the bank to spend more than she had in her account.

<div align="right">Overdraft 1 m
Explanation 2 m</div>

(iii) On 8 May 2017 a direct debit has been paid from Margaret's account. This is an **agreement** with Energia to allow them to take out **variable/fixed amounts** on **variable/fixed dates** from her account. (3)

On 17 May 2017, a standing order has been paid from Margaret's account. She has **instructed her bank** to take/pay out a **fixed amount** (€66) on a **fixed date** (17th of each month) and pay it to Vodafone. (3)

(iv) Paypath is a method used by Margaret's **employer to pay/transfer her wages/salary directly/electronically** into **her bank account**.

<div align="right">Explanation (1, 1, 1m) = 3 m</div>

Two advantages for Margaret:
- She has immediate access to her wages online or by ATM.
- It is a safer method than receiving cash.
- It is private and confidential.
- More convenient than going to the bank to lodge.
- It can be used to reduce her overdraft quickly.

<div align="right">(2 × 2 m) = 4 m</div>

(v)   It means Margaret **paid**, €1000 to **AIB Visa** by **internet banking**.

Explanation (1, 1, 1m) = 3 m

(vi)   Two items included in bank charges:

e.g. credit transfers, ATM, direct debits, standing orders, Visa Debit, lodging and withdrawing cash, online banking transactions etc.

(2 × 2 m) = 4m

(vii)   ATM stands for Automated Teller Machine.

3 m

Services available to Margaret from the ATM:

- Pay certain bills
- Lodge cash
- Withdraw cash
- Change PIN
- Check account balance
- Purchase phone credit
- Order a bank statement
- Print a mini statement.

Two services (2, 2m) = 4m
(33 marks)

(B)

		Marks
Balance as per Bank Statement 31/05/2017	€351.00	1
Less unpresented cheque (560813)	(€400.00)	2
Add lodgement not yet credited	€50.00	2
Adjusted Bank Statement Balance 31/05/2017	€1.00	2
	Total	*(7 marks)*

Total 40 marks

Summary of marks	
(A)	33
(B)	7
Total	40

Question 6 Wages and People at Work

(A) (i) Basic Pay is payment for a **normal/contracted/agreed** working week whereas

Overtime is additional pay for working hours in **excess of the normal** working week.

Difference explained (3 + 3)

6 m

(ii) Wage slip: See Section A, page 12.

24 m

(iii) Statutory deductions:
- PAYE   1 m
- USC/PRSI.   1 m

(32 marks)

(B) (i) A benefit in kind is a non-cash payment/non-financial reward/non-monetary income instead of money received by an employee from an employer.

e.g. company car, subsidised meals, and health insurance, free travel.

Explanation 1 × 2m = 2 m
Examples 2 × 1 m= 2 m

(ii) Conor's rights

- A safe working environment.
- To be paid at least the minimum wage/fair wage.
- He is entitled to receive a written pay slip/written contract.
- He entitled to annual holidays, sick leave, paternity leave etc.
- To be treated equally without discrimination.
- He is entitled to be protected against unfair dismissal.
- The right to join a trade union.

2 × 2 m = 4m
(8 marks)
Total 40 marks

Summary of marks	
(A)	32
(B)	8
Total	40

Workings

Gross Pay			PAYE	
$\dfrac{770}{35}$ = 22		770	Gross pay × 40%	409.20
			Less tax credit	65.00
				344.20
5 × (22 + 11) = 165				
2 × (22 + 22) = 88		253		
		1,023		

Tax Credit	Other
$\dfrac{3,380}{52}$ = 65	PRSI/USC = 1023 × 10.5%
	= 107.42

(ii)

Wage Slip			Marks
Name:	Conor Kavanagh		1
Week No:	5		1
Basic Pay	€770.00		1
Overtime	€253.00		4
Gross Pay	⟶	€1,023.00	2
Tax Credit	€65.00		2
Deductions			
PAYE	€344.20		4
PRSI/USC	€107.42		3
Health Insurance	€40.00		1
Savings	€75.00		1
Total Deductions	⟶	€566.62	
Net Pay	⟶	€456.38	4
		Total	24