

1. **This is a Household Budget Question.**

Answer all parts of this question:

- (A) On page 9 of Section A is an Original Budget and a Revised Budget form for the Harte household from July to September 2012. After preparing the Original Budget, Mr Harte was informed that his salary would be decreased. However, Ms Harte has secured a part-time job, which she is due to start in August. The Harte household decided to revise their Budget due to the changed circumstances.

You are required to complete the Revised Budget, taking the following into account:

- Mr Harte's new annual salary will be €31,200 net payable monthly from 1 July 2012.
- Ms Harte will receive €1,400 net monthly from 1 August 2012.
- The Hartes will receive €100 investment income in August.
- Mortgage repayments will increase by 4% from 1 September 2012.
- Annual Insurance will increase to €1,200, payable monthly from 1 August 2012.
- Household costs will reduce by 9% per month from 1 July 2012.
- Car costs will increase by €30 per month from 1 August 2012.
- Entertainment costs will increase by 5% from 1 July 2012.
- The Harte household plan to holiday in August at a cost of €1,200.
- All other income and expenditure will remain the same.

(28)

- (B) (i) Explain the term 'Fixed Expenditure'. (*Answer on page 10 of Section A.*)
- (ii) In the Original Budget, name a month in which planned income is greater than planned expenditure. (*Answer on page 10 of Section A.*)
- (iii) In the Original Budget, how much did the Harte household expect to save in the three months? (*Answer on page 10 of Section A.*)
- (iv) Is the Revised Budget a good one?
Give **two** reasons for your answer. (*Answer on page 10 of Section A.*)

(12)

(40 marks)

For use with Section B – Question 1 (A)

HARTE HOUSEHOLD	ORIGINAL BUDGET				REVISED BUDGET			
	JULY	AUG	SEPT	TOTAL	JULY	AUG	SEPT	TOTAL
PLANNED INCOME	€	€	€	€	€	€	€	€
Mr Harte	3,000	3,000	3,000	9,000				
Ms Harte								
Child Benefit	374	374	374	1,122				
Other								
TOTAL INCOME	3,374	3,374	3,374	10,122				
PLANNED EXPENDITURE								
<i>Fixed</i>								
Mortgage	900	900	900	2,700				
Loan Repayments	450	450	450	1,350				
Insurance	85	85	85	255				
Subtotal	1,435	1,435	1,435	4,305				
<i>Irregular</i>								
Household Costs	900	900	900	2,700				
Car Costs	150	150	150	450				
Light & Heat Costs	215		180	395				
Telephone Costs	40	50	100	190				
Subtotal	1,305	1,100	1,330	3,735				
<i>Discretionary</i>								
Entertainment Costs	400	400	400	1,200				
Presents	310		240	550				
Holiday								
Subtotal	710	400	640	1,750				
TOTAL EXPENDITURE	3,450	2,935	3,405	9,790				
Net Cash	(76)	439	(31)	332				
Opening Cash	200	124	563	200				
Closing Cash	124	563	532	532				

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

(i) Explain the term ‘Fixed Expenditure’.	For Office Use Only	
Explanation:		

(ii) In the Original Budget, name a month in which planned income is greater than planned expenditure.		
Answer:		

(iii) In the Original Budget, how much did the Harte household expect to save in the three months?		
Answer: €		

(iv) Is the Revised Budget a good one?	YES		<i>(Please tick appropriate box.)</i>		
	NO				
Give two reasons for your answer.					
Reason 1:					
Reason 2:					

2. **This is a Club Account Question.**

Answer all parts of this question:

On 1 January 2011, Linn Swimming Club had an Accumulated Fund of €22,085.

The following is a summary of the Club's financial transactions for the year ended 31 December 2011:

Receipts:	€
Competition Receipts	12,600
Subscriptions	6,600
Sponsorship	9,700
Payments:	€
Affiliation Expenses	600
Stationery	740
General Expenses	520
Competition Expenses	4,225
Insurance	10,220
Pool Rent	9,000

Additional information at 31 December 2011:

- (i) Subscriptions prepaid €350
- (ii) Stationery on hand €120
- (iii) General Expenses due €65
- (iv) Cash at Bank €520
- (v) Depreciation:
 - Laptop 25% of €1,160
 - Equipment 15% of €24,000

(A) Prepare:

- (i) An Income and Expenditure Account for the year ended 31 December 2011.
- (ii) A Balance Sheet as at 31 December 2011.

(34)

(B) Explain **two** duties of a club treasurer.

(6)

(40 marks)

3. This is a question on Economic Awareness, National Budget and Opportunity Cost.

Answer all parts of this question:

(A) Ireland has a mixed economic system which has had a decline in economic growth in recent years.

(i) Explain each of the underlined terms above.

(ii) Explain **two** economic consequences for Ireland's economy from this decline in economic growth.

(12)

(B) The following figures were presented on Budget Day as projections for the year 2012:

Main items of Revenue and Expenditure	Estimated Figures in Millions €
Education	1,467
PAYE	1,930
DIRT	135
Health Services	2,130
Agriculture	280
Debt Servicing	823
Corporation Tax	225
VAT	1,860
Social Welfare	1,620

(i) Draft the National Budget for 2012 from the above information. State whether it is a 'surplus budget' or 'deficit budget'.

(ii) Which Government Department is responsible for preparing Ireland's National Budget?

(iii) Explain, with an example, the term 'opportunity cost' in relation to the preparation of the National Budget.

(iv) Distinguish between 'Capital Expenditure' and 'Current Expenditure' for the Government. Use **one** example of **each** type of expenditure to explain your answer.

(v) Explain the term 'debt servicing'.

(28)

(40 marks)

4. **This is a Consumer Question.**

Answer all parts of this question:

Sinead Glynn, living at Coast Road, Kilkee, Co. Clare, decided to upgrade her windows. On 24 April 2012, she installed treble glazed woodgrain PVC windows costing €7,800. Glazeco Ltd, Kilrush Road, Ennis, Co. Clare, supplied the windows.

After one month she noticed condensation patches on three windows where the seals had broken down.

On 28 May 2012, she wrote to the Manager of Glazeco Ltd outlining the problem and seeking redress.

(A) Write the letter that Sinead sent to Glazeco Ltd on 28 May 2012. (18)

(B) (i) Name the consumer law which applies in this case.

(ii) Explain **two** relevant principles of consumer law that have been broken in this case.

(iii) Identify **two** ways Sinead could show evidence of purchase.

(iv) Explain why it is important for Sinead to file and record details of her purchases.

(16)

(C) Explain **two** characteristics of a good consumer.

(6)

(40 marks)

5. **This is a Personal Banking and Savings Question.**

Answer all parts of this question:

Michael Larkin who was born on 5 September 1951 has recently retired from MitMedical Ltd Business Park, Cavan where he was employed for 29 years as a Financial Accountant. He and his wife have returned to live in his native county at Main Street, Cobh, Co. Cork. His new home telephone number is 021-2612851 and his mobile phone number is 085-9196050. His e-mail address is micklark@petal.ie. and his PPSN (Personal Public Service Number) is 4991871D.

As his former employer wants to pay his monthly pension of €3,000 directly into a bank account, he has decided to open a Current Account. On 11 June 2012, he calls into the local branch of Allied Irish Bank and completes an application form.

- (A) (i) Complete the blank application form *on page 11 of Section A*.
- (ii) Name **three** requirements that must be satisfied when opening a bank account.
- (iii) Outline **two** differences between a current account and a deposit account.
- (iv) State **three** methods of withdrawing money from a current account. (30)
- (B) Michael received a lump sum on retirement and is considering saving this money with a number of financial institutions.
- (i) Explain **two** reasons why he would save his money.
- (ii) Explain **two** factors he should consider before choosing a particular financial institution. (10)
- (40 marks)**

For use with Section B – Question 5 (A) (i)

Allied Irish Bank CURRENT ACCOUNT APPLICATION FORM				
PERSONAL DETAILS				
Surname		Mr, Mrs, Ms.		
First Name		Male/Female		
Home Address				
Date of Birth		<i>Please tick appropriate box. ➡</i>	Married	
County of Birth			Single	
EMPLOYMENT/ INCOME DETAILS				
Former Occupation				
Former Employer's Name & Address				
Gross income per month				
Length of time in your previous employment				
Will your income be paid into your bank account?	YES		(Please tick appropriate box.)	
	NO			
CONTACT DETAILS				
Home Telephone Number				
Mobile Phone Number				
e-mail address				
Please open a Current Account in my name. I certify the accuracy of the information given above.				
SIGNATURE		DATE		

PLEASE REMEMBER TO RETURN THIS 'SECTION A' WITH YOUR ANSWER BOOK

6. This is a People at Work and Information Technology Question.

Answer all parts of this question:

The following advertisement appeared in a newspaper:

McNally Ltd
Church Road
Donegal Town

Telesales Staff required

Basic Pay: €624 for 39-hour week

Commission, Overtime and Flexitime available

Good telephone manner necessary

Excellent IT skills required

Subsidised meals

Apply in writing *or* by e-mail to mcnallyltd@swan.com

McNally Ltd is an equal opportunities employer

(A) Explain the **four** underlined terms in the above advertisement.

(12)

(B) Hazel Maye applied for the above position.

What answers should she give to the following questions at her interview?

(i) Explain **three** responsibilities of an employee to an employer.

(ii) Describe **three** IT skills required for this position.

(18)

(C) Hazel was offered the job with McNally Ltd. They pay overtime on the basis that the first eight hours are paid at time-and-a-half with double-time after that.

Calculate Hazel's gross wage if she works 48 hours in a week. Show your workings.

(10)

(40 marks)

REMEMBER TO INCLUDE SECTION 'A' WITH YOUR ANSWER BOOK