JUNIOR CERTIFICATE EXAMINATION 2011 BUSINESS STUDIES PAPER 1 SUPPORT NOTES AND MARKING SCHEME

SECTION A

Q.1	APR: ATM: PIN:	(1+1+2)			
Q.2	.2 Employed: Wages/Salary/Children's Allowance Unemployed: Social Welfare/Jobseekers Allowance/Dole Retired: Pension				
Q.3	(i) €720,000 (ii) €370,000 (iii) Working Capital				
Q.4	 Giv Fai Sai Tre	ir wage/at least the fe working condi- eat all employees	ract of employment ne minimum wage tions	(2 @ 2) ave.	
Q.5	Answer	16.6%	Workings: $(1)^*$ Net Profit $180,000 - 60,000$ $120,000 \times 100 = 16.66$ 720,000	(4)	
Q.6	720,000				
Q.7	(ii) J. Fo	hases oley/Creditors oley hases		(4 @ 1)	

Q.8 (4 @ 1)

Debtors Control Account					
Date	Details	€	Date	Details	€
01/05/11	Balance b/f	4,900	31/05/11	Cash/Bank	6,100
31/05/11	Credit Sales	5,900	31/05/11	Balance c/d	4,700
		10,800			10,800
01/06/11	Balance b/d	4,700			

Or

Debtors Control Account					
Date Details Dr		Cr	Balance		
		€	€	€	
01/05/11	Balance b/d			4,900	
31/05/11	Credit Sales	5,900		10,800	
31/05/11	Cash/Bank		6,100	4,700	

Q.9 Inflation is an <u>increase</u> in the <u>general level of prices</u> over a <u>time</u> period usually one year. (1 + 1 + 2)

Q.10 (4 @ 1)

	Operating Statement	Balance Sheet
Income from Patients	✓	
Equipment		✓
Stock of Medicine	✓	✓

Q.11

- Goods sold must be of merchantable quality.
- Goods must be fit for the purpose intended.
- The goods must match their description/correspond to the sample shown.
- Services must be provided by a competent person, and use quality materials.
- The contract is between the customer and the seller.

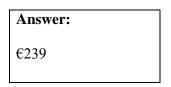
(2 @ 2)

Q.12 (4 @ 1)

General Journal					
Date	Details	F	Dr	Cr	
01/01/11			€	€	
	Bank	CB1	25,000		
	Premises	GL1	600,000		
	Creditor	CB1		42,000	
	Ordinary Share Capital	GL2		583,000	
	Assets, Liabilities & Share Capital of Crowe Ltd on this date.		625,000	625,000	

Q.13 (i) **Imprest:** Is a *fixed amount* of cash provided to the petty cashier at the *beginning of each month* to cover small expenses. This fixed balance is sometimes described as a float. (2)

(ii)



Workings:
$$(1)$$
*
$$56 + 93 + 90 = 239$$
(2)

Q.14 Product, Place, Price, Promotion.

(4 @ 1)

Q.15

- Goods were not ordered or didn't correspond to sample or match description.
- Goods arrived damaged/faulty.
- Excess quantity supplied.
- Goods did not arrive on an agreed date.

(2 (a, 2)

Q.16 Current Income: PAYE, VAT, DIRT, Corporation Tax, Customs & Excise Duty, Profit from Lottery and State Companies. (2)

Current Expenditure: Social Welfare, wages of public servants, running costs of state buildings, e.g. light and heat, repairs to school hospitals, libraries. (2)

Q.17 (4 @ 1)

Violet Ltd Purchases Book

Date	Details	Invoice No.	F	Net	VAT	Total
				€	€	€
12/06/11	Rose Ltd	5	CL1	3,500	735	4,235

Q.18 (2 @ 2)

It is an **item of value** given by a borrower to a lender/financial institution which may be **sold/kept** should the borrower fail to **pay back** the loan e.g. deed to property, share certificates, life assurance policy.

Q.19 E A C B (4 @ 1)

Q.20

Answer:
400g

Workings: (1)*
0.8c or 1.25g
0.67c or 1.5g
0.625c or 1.6g

(4)