

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

Answer all parts of this question:

- (A) On *page 10 of Section A* is a partially completed summary of the Devine household budget for the months February to May 2010. You are required to complete this budget by entering the appropriate figures into the '**Total**' column and the missing figures for '**Total Outgoings, Net Cash, Opening Cash and Closing Cash**'.

On 1 February 2010 the Devine household had cash in hand of €548.

(11)

- (B) Answer the following questions in the spaces provided *on pages 10 & 11 of Section A*.

- (i) What is a budget?
- (ii) Outline **two** reasons for preparing a budget.
- (iii) Name any month the Devine household plan to have a deficit **and** the amount of the deficit.
- (iv) Suggest **one** way of overcoming this deficit.
- (v) Did the Devine household plan to live within their income for the period February to May 2010? Give **one** reason for your answer.
- (vi) Suggest **one** place the Devine household could put their savings. Give **one** reason for your answer.

(20)

- (C) On 14 February 2010 Andy Devine paid his life assurance premium €619 to Park Insurance Ltd by cheque. As the cheque was sent by post he decided to make it as safe as possible.

Complete the Cheque and Counterfoil on *page 12 of Section A*.

(9)

(40 marks)

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

(A)

	Feb	Mar	Apr	May	Total for period Feb-May	For Office Use Only	
	€	€	€	€	€		
TOTAL INCOME	2,850	2,850	2,625	2,725			
TOTAL EXPENDITURE	2,425	3,025	2,968	2,167			
Savings	300	300	300	300			
(Total Expenditure and Savings) TOTAL OUTGOINGS	2,725						
Net Cash							
Opening Cash	548						
Closing Cash							

(B)

(i) What is a budget?	For Office Use Only	
Answer:		

(ii) Outline two reasons for preparing a budget.	For Office Use Only	
Reason 1:		
Reason 2:		

<p>For use in answering Section B – Question 1(B) Contd.</p>


(iii)	Name any month the Devine household plan to have a deficit and the amount of the deficit.	For Office Use Only	
	Month:	Amount: €	

(iv)	Suggest one way of overcoming this deficit.	For Office Use Only	
	Answer:		

(v)	Did the Devine household plan to live within their income for the period February to May 2010?	YES		<i>(Please tick appropriate box.)</i>	For Office Use Only	
		NO				
	Give one reason for your answer.					
	Reason:					

(vi)	Suggest one place the Devine household could put their savings. Give one reason for your answer.	For Office Use Only	
	Answer:		
	Reason:		

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

Date		93-63-32	
To		<div style="display: flex; justify-content: space-between;"> <div> AIB KILLARNEY, CO. KERRY </div> <div>Date _____</div> </div>	
Balance b/f	€ 849.00		
Lodgement		Pay _____ or order euro euro euro	
Total		_____	€ _____
This Cheque		_____ ANDY DEVINE	
Balance c/f			
2614		2614	936332
			5678210

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

Answer all parts of this question:

Bulben Sailing Club, Bundoran, Co. Donegal, had the following Assets and Liabilities on 1 January 2009:

Yachts €110,000 Clubhouse €320,000 Cash €14,000 Long Term Loan €128,500.

Below is a summary of the Club's financial transactions for the year ending 31 December 2009:

Receipts:	€
Subscriptions	8,700
Regatta Entry Fees	19,360
Annual Sponsorship	850
Club Lotto	2,750
Payments:	€
Light and Heat	1,680
Purchase of Equipment	15,600
General Expenses	3,460
Regatta Expenses	8,220
Insurance	1,870

Additional information on 31 December 2009:

- (i) Light and Heat due €210
- (ii) Subscriptions prepaid €600
- (iii) Equipment to be depreciated by 15%.
- (iv) Yachts to be depreciated by 10%.
- (v) Insurance prepaid €160

(A) Prepare a statement calculating the Club's Accumulated Fund on 1 January 2009.

(6)

(B) Prepare:

- (i) A Receipts and Payments Account for the year ending 31/12/2009.
- (ii) An Income and Expenditure Account for the year ending 31/12/2009.

(29)

(C) Name **two** of Bulben Sailing Club's assets and **one** of the Club's liabilities.

(5)

(40 marks)

3.

This is an Economic Growth, Inflation and Trade Question.

Answer all parts of this question:

(A) Economic growth has fallen sharply in Ireland.

- (i) Explain the term '**economic growth**'.
- (ii) Identify the official measure of economic growth in Ireland.
- (iii) Explain **two** economic consequences for Ireland's economy from this decline in economic growth.

(10)

(B) (i) Explain the term **inflation**.

- (ii) Identify the official measure of inflation in Ireland.
- (iii) State **two** causes of inflation.

The following table shows the rate of inflation in a country over the past five years:

Year:	2005	2006	2007	2008	2009
Rate:	3%	4%	5%	4%	2%

- (iv) Draw a line graph **or** bar chart to show the above information.
- (v) State **two** benefits to the consumer of the low inflation rate in 2009.

(24)

(C) A consumer is shopping for a new iPod. His local shop has one for €229. While shopping on line the same model is available for \$314.65 in the USA, including delivery. He goes to his bank to check the current exchange rates and sees the following rates quoted:

CURRENCY	BANK SELLS	BANK BUYS
American Dollar	1.45	1.55

- (i) Calculate the cost of the 'on line' iPod in Euro.
Show your workings.
- (ii) Explain **one** economic consequence for the Irish economy if a consumer chooses to shop 'on line' from the USA.

(6)

(40 marks)

4.

This is a Consumer Question.

Answer all parts of this question:

On 24 May 2010, Shane Irwin, Quay Lane, Wexford, bought a new television for €280 from NCTV Ltd, Main Street, Enniscorthy, Co. Wexford. The following day, while using it, the screen froze and he was unable to solve the problem.

Shane rang his friend who told him it was an inferior model and his purchase was a false economy and an example of impulse buying.

On 27 May 2010, Shane wrote to the Manager of NCTV Ltd outlining the problem, enclosing evidence of purchase and seeking one form of redress.

- (A) Write the letter that Shane sent to NCTV Ltd on 27 May 2010. (18)
- (B) (i) Name the consumer law which applies in this case.
- (ii) State **two** relevant principles of consumer law that have been broken in this case.
- (iii) Identify **two** ways Shane could show evidence of purchase.
- (iv) Explain the **two** underlined consumer terms. (16)
- (C) State and explain **two** reasons why a consumer needs protection. (6)
- (40 marks)**

5.

This is a People at Work Question.

Answer all parts of this question:

Siobhán O'Malley graduated from college in September 2009 and while seeking employment she has been involved in volunteer work. She has been considering setting up her own business and has recently been offered part-time employment in sales with a local company.

- (A) (i) Explain how 'work' differs from 'employment'.
- (ii) Outline **two** skills Siobhán would develop while working in a voluntary organisation that would help her in running her own company.
- (iii) Explain **two** reasons why Siobhán might want to become self-employed.
- (iv) Explain **two** risks of being self-employed.

(22)

As an employee of the local company Siobhán would be paid a basic wage of €220 per week plus 5% commission on her total sales. She would also receive a tax credit and have statutory deductions taken from her gross wage.

- (B) (i) Explain the term tax credit.
- (ii) State the **two** statutory deductions that would be taken from her gross wage.
- (iii) Outline the purpose of **each** of these statutory deductions.
- (iv) If Siobhán sold €480 worth of goods in a week calculate her gross wage for that week. Show your workings.

(18)

(40 marks)

6. **This is a Borrowing and Savings Question.**

Answer all parts of this question:

Michael Aherne, an 18-year-old first year Cork IT student, has always lived at home with his father at 44 Abbey Street, Middleton, Co. Cork. His mobile phone number is 085-4959610 and his e-mail address is michaelaherne@honbeg.ie.

He needed to purchase a new computer for his college work at a cost of €1,800. He did some research on suitable sources of finance. His research showed that his local credit union, where he has a Share Deposit Account (No. 2117/19), had an education loan scheme with a 6% APR.

His father, John (mobile phone number is 087-1794816), agreed to go guarantor on the loan and Michael planned to pay €30 a week for 66 weeks by Standing Order from his Current Account (No. 2475637) at A.I.B. Middleton. Michael has no credit commitments. On 8 December 2009, he called into the local credit union and completed an application form for his first loan.

- (A) (i) Complete the blank loan application form *on page 13 of Section A*.
- (ii) Explain how the Standing Order system operates.
- (iii) State and explain **one** other suitable source of finance available to Michael to purchase his computer.
- (iv) Outline **two** rights he would have as a borrower.
- (v) Explain the following terms:
- APR
 - Guarantor.
- (30)

While queuing in his credit union Michael reads that the directors are proposing to pay a dividend on his Share Deposit Account. This dividend is subject to DIRT of 25%.

- (B) (i) What do the initials DIRT stand for?
- (ii) Explain how the DIRT system works.
- (iii) If Michael's account is due to earn a €10 dividend before DIRT, calculate the amount of that dividend that will be added to his account. Show your workings.
- (10)

(40 marks)

REMEMBER TO INCLUDE SECTION 'A' WITH YOUR ANSWER BOOK

Document for use with Section B – Question 6 (A) (i)

<p align="center">Ballylea Credit Union</p> <p align="center">MEMBER EDUCATION LOAN APPLICATION FORM</p>				
MEMBER PERSONAL DETAILS				
Surname		Mr, Mrs, Ms.		
First Name		Male/Female		
Occupation				
Employer's/College Name & Address				
Home Address				
Number of years at present address				
Account Type		EXISTING LOAN: <i>Please tick appropriate box. ➡</i>	Yes	
Account Number			No	
LOAN DETAILS				
Purpose of loan		Amount required	€	
Length loan required for		Weekly repayment	€	
Financial Institution Name & Address		Method of repayment		
Guarantor Name & Address				
Guarantor Contact Number				
Other credit commitments?	YES		(Please tick appropriate box.)	
	NO			
CONTACT DETAILS				
Applicant Contact Number				
E-mail address				
I certify the accuracy of the information given above.				
SIGNATURE		DATE		

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