

## SECTION B

### Question 1: Budget

	July	Aug	Sept	Oct	Total for period July - Oct
	€	€	€	€	€
<b>TOTAL INCOME</b>	2,420	2,285	2,385	2,285	<b>9,375</b>
<b>TOTAL EXPENDITURE</b>	1,795	2,045	1,935	2,025	<b>7,800</b>
Savings	450	450	450	450	<b>1,800</b>
(Total Expenditure and Savings) <b>TOTAL OUTGOINGS</b>	2,245	<b>2,495</b>	<b>2,385</b>	<b>2,475</b>	<b>9,600</b>
Net Cash	<b>175</b>	<b>(210)</b>	<b>0</b>	<b>(190)</b>	<b>(225)</b>
Opening Cash	<b>596</b>	<b>771</b>	<b>561</b>	<b>561</b>	<b>596</b>
Closing Cash	<b>771</b>	<b>561</b>	<b>561</b>	<b>371</b>	<b>371</b>

20 figures @ ½ each = 10,

€371 in both columns = 1 mark

**(11 marks)**

**(B)**

(i) *What is a budget?*

**Answer:** It is a forecast or plan on future income and expenditure for a specific time period.

**(3 × 1)**

(ii) *Outline **two** reasons for preparing a budget*

- To estimate if there will be a surplus and what might be done with it.
- To estimate if there will be a deficit and how it might be financed or eliminated.
- To estimate the income and expenditure for each month and the period in total/to see if they are living within their means.

**(2 × 3)**

(iii)

**Month & Amount:** August €210 or October €190

(2)

(B) (iv) Suggest **one** way of overcoming this deficit.

**Answer:** They could reduce the amount they intend to save or they could cut back on Discretionary expenditure. (3)

(v) No

Give **one** reason for your answer.

They have an overall deficit of €225.


**\*Yes:** They are saving €1,800 which could be used to pay off the deficit. (3)

(vi)

Car Expense	Fixed	Irregular	Discretionary
NCT Fee	✓		
Diesel		✓	
New Alloy Wheels			✓
Car Service		✓	

(4 × 1)  
(21 marks)

(C)

Date	16/06/2015	<b>AIB</b> 93-55-12	
To	Dingle Insurance Ltd	KINSALE, CO. CORK	Date 16 June 2015
Balance b/f	€954.00		
Lodgement			
Total	€954.000	Pay Dingle Insurance Ltd or order <b>euro euro euro</b>	
This Cheque	545.00	Five hundred and forty five euro	€545.00
Balance c/f	409.00	SINEAD DWYER	
		Sinead Dwyer	
1708		 1708 935512 545914	

Counterfoil: 4 items @ ½ mark each

Cheque: 6 items @ 1 mark each

(8 marks)

Total 40 marks

## Question 2: Club Account

(A) (i)

Restaurant Trading Account of the Ryder Golf Club for Year Ending 31/12/2014		
Restaurant Sales		10,850
Less <u>Cost of Sales</u>		
Opening Stock	2600	
Restaurant Purchases	6,900	
	9,500	
Less Closing Stock	1,400	
		8,100
Restaurant Profit		2,750

(10)

(ii)

Income and Expenditure Account of the Ryder Golf Club for the Year Ending 31/12/2014			
<b>Income</b>			
Restaurant Profit		2,750	<i>O.F</i>
Profit on Open Week (6250 – 1590)		4,660	
Subscriptions	10,140		
Less Subscriptions prepaid	320	9,820	
Green Fees		11,200	
Profit on Raffle (7800 – 6730)		1,070	
			<b>29,500</b>
<b>Less Expenditure</b>			
Insurance	5,459		
Less Insurance prepaid	280	5,179	
Repairs to Equipment		920	
General Expenses		5,320	
Light & Heat	4,520		
Add Light & Heat due	420	4,940	
Depreciation on Tractor 10%		2,250	
			<b>18,609</b>
<b>Excess of Income over Expenditure</b>			10,891

Excess of income (words) must be consistent with own figure.

€10,891 must be correct to earn 2 marks.

**(24)**

**(34 marks)**

- (B) (i) Treasurer (2)  
(ii) Accumulated Fund (2)  
(iii) It may be used to finance planned expansion/may be used for the purchase of capital items such as fixed assets/to make up any excess expenditure. (2)

**(6 marks)**

**Total 40 marks**

### Question 3: National Budget and National Expenditure

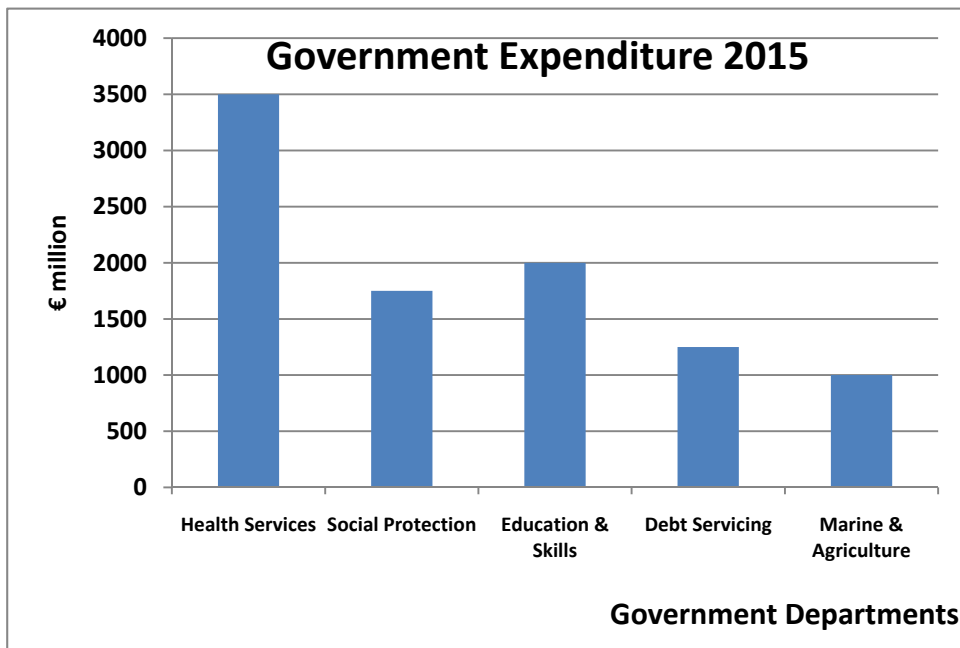
(A) (i)

National Budget 2015 (1)		
<b>Revenue</b>		
Corporation Tax	675	(1)
Excise Duties	335	(1)
PAYE	3,925	(1)
VAT	3,150	(1)
		8,085
<b>Expenditure</b>		
Health Services	3,500	(1)
Social Protection	1,750	(1)
Education & Skills	2,000	(1)
Debt Servicing	1,250	(1)
Marine & Agriculture	1,000	(1)
		9,500
<b>Deficit (1)</b>		(1,415) (1)

(ii) Department of Finance or Department of Public Expenditure and Reform. (12)  
(1)

(13 marks)

(B) (i)



Title and 2 Labels @ 1 each = 3. Accurate bars, correctly labelled, 5 @ 2 each = Total 13 marks

- (ii) **Capital Expenditure** is once-off/long term/non-recurring expenditure by the Government e.g. infrastructure/building schools or hospitals.

(3)

**Whereas**

**Current Expenditure** is spending on the day-to-day running of the country e.g. wages of public servants.

(3)

- (iii) **Excise Duties** are indirect taxes placed on goods which raise revenue/discourage consumption e.g. petrol, cigarettes, wine, beer etc.

(4)

**Debt servicing** is interest paid on the National Debt.

(4)

(27 marks)

**Total 40 Marks**

#### Question 4: Consumer and Insurance

(A)

	<b>Electric Saver</b>			<b>Electric Power</b>		
		400 units			400 units	
Standing Charge	€10.50 per month	<b>10.50</b>	<b>1</b>	€10.90 per month	<b>10.90</b>	<b>1</b>
Unit Rate	€0.1701 per unit	<b>68.04</b>	<b>2</b>	€0.1715 per unit	<b>68.60</b>	<b>2</b>
Subtotal		78.54			79.50	
Discounts	15% discount	<b>10.21</b>	<b>1</b>	20% discount	<b>13.72</b>	<b>1</b>
Subtotal		68.33			65.78	
VAT 13.5%		<b>9.22</b>			<b>8.88</b>	
Total		<b>77.5</b>	<b>1</b>		<b>74.66</b>	<b>1</b>

(10)

I would advise him to choose the **Electric Power** Company because the net monthly payment will be cheaper than Electric Savers by €2.89 per month.

(2)

(12marks)

(B) Letter

The Square  
Rathdowney  
Co. Laois

9 June 2015

Mr Brendan Mitchell  
The Quay  
Arklow  
Co. Wicklow

**Re:** Information on purchasing home insurance

Dear Brendan

In response to your query seeking advice on purchasing home insurance, I hope the following will be of benefit to you.

When purchasing insurance, you need to understand the relevant principles of insurance which are as follows:

**Insurable Interest:** You must have a financial interest in any item you want to insure/you must stand to gain by its existence or suffer financially by its loss.

**Utmost good faith:** You must answer all the questions on a proposal form truthfully/disclose all material facts which may affect the insurance contract.

I hope this is of some help to you and feel free to contact me at any time.

Yours sincerely,  
Gerry Murphy

<b>Layout</b>	<b>9 @ 1</b>	=	<b>9</b>
<b>2 principles explained</b>	<b>(2 × 4)</b>	=	<b>8</b>
<b>Presentation</b>		=	<b>3</b>

(20 marks)

(C)

- (i) **Goods will not be exchanged** – Sale of Goods and Supply of Services Act 1980.

(2)

**Go-Run Running Shoes** – Consumer Information Act 1978/Consumer Protection Act 2007.

(2)

- (ii) **Goods will not be exchanged** – The seller is responsible for any faults with the goods and must take them back if not working properly.

(2)

**Go-Run Running Shoes** – False or misleading information.

(2)

(8 marks)

**Total 40 marks**

### Question 5: Analysed Cash Book and Personal Banking

#### (A) Analysed Cash Book of Mary Kelly

2015		Cash	Pension	Other	2015		Cash	House keeping	L&H	Ins.	Other
May 1	Balance	**750			May 7	Groceries	175	175			
4	Pension	940	940		9	Gas Bill	135		135		
30	Lottery Win	50		50	13	Donation	10				10
					15	House Ins.	30			30	
					19	Fuel Bill	145		145		
					20	Groceries	165	165			
					23	Hairdresser	40				40
					26	Health Ins.	150			150	
					27	Butcher	90	90			
					31	Groceries	95	95			
						Balance	**705				
		1,740	940	50			1,740	525	280	180	50
June 1	Balance	**705									
Marks		3	½	½			6	2	1	1	1

Dr side: 750 Balance = 1  
 4 figures @ ½ = 2  
 Cr side: 20 figures @ ½ = 10  
 Balance 705 = 2  
 Dates (must have year) = 1  
 Title = 1

(17 marks)

(B) (i) State **three** requirements that must be satisfied when opening a bank account.

- Proof of address e.g. utility bill
- Proof of identity e.g. passport, driving licence.
- PPSN (personal public service number).
- Source of income for large lodgements.

(3 × 2)

(ii) Outline **two** differences between a current account and a deposit account.

- A current account may have an overdraft facility but only the amount in a deposit account can be withdrawn.
- Payments can be made by standing order/direct debit/credit transfer/cheques/debit cards from current accounts whereas cash must be withdrawn from a deposit account to make payments.
- Charges may apply to a current account but not to deposit accounts.
- Deposit accounts offer interest on the balance in the account. Receiving interest on current accounts may require a minimum amount in the account.

(2 × 3)

- (iii) *State and explain how her monthly pension would transfer into her bank account.*

**Electronic Funds Transfer** – Her pension is transferred directly into her bank current account by her pension provider.

(2)

- (iv) *Explain **three** different methods Mary might use to pay **each** of these bills from her new bank account.*

<b>Gas</b>	Cheque, Direct Debit/Debit Card
<b>Monthly health insurance</b>	Standing Order, Direct Debit
<b>Groceries</b>	Cheque, Debit Card, ATM

Explanations (2 marks each and no repetition)

Cheque:	This is an instruction in writing from Mary, to the bank, to pay a specific amount to the person named on the cheque.
Direct Debit:	Mary can give permission for a creditor to deduct variable payments from her account on an agreed/variable date.
Standing Order:	Mary can instruct her bank to deduct fixed payments from her account on an agreed/fixed date.
Debit Card:	When Mary uses her debit card money is taken directly from her account and transferred immediately to another bank account.
ATM:	Mary can use her card to get cash from her account using an ATM card. The cash can then be used to pay her bills.

(3 × 3)  
(23 marks)

**Total 40 marks**



## Question 6: People at Work

- (A) (i) It is illegal to look for female applicants only. (2)
- (ii) **Basic Pay:** Payment for the normal working week/as per contract. (3)
- Overtime:** Additional pay/pay at a higher rate per hour for working in excess of the normal working period (3)
- E-mail:** The sending/receiving of documents/messages/images over the internet using a webmail server address. (3)
- Equal Opportunities Employer:**  
When employing workers the Medial Ltd does not discriminate on the grounds of gender, race, colour, religion or age. (3)
- (iii) Educational details  
Work experience  
Details of referees  
Email address  
Hobbies/interests/achievements (3 × 2)  
(20 marks)

- (B) (i) **Shop Steward** (2)
- (ii) Inform her of her rights as an employee.  
Help resolve any problems with her employer.  
Collect union subscriptions.  
Would inform Michelle of any relevant information received from Head Office.  
Inform her of any activity in the trade union e.g. Credit Union, social activities, upcoming protests. (2 × 3)
- (iii) Punctuality at all times.  
Confidential with sensitive information.  
Honest in all dealings.  
Courteous to customers at all times.  
Co-operative with the staff.  
Obey the rules and regulations of the employer.  
Respect equipment and property.  
Don't damage good name of the firm. (2 × 2)
- (iv) €546/39 = €14 per hour basic.  
Time and a half is €21 per hour  
Double time is €28 per hour.

Hours	Rate	Total	
39	14.00	546.00	2
7	21.00	147.00	2
3	28.00	84.00	2
Gross Wage		€777.00	2

(8)  
(20 marks)  
Total 40 marks