



**Coimisiún na Scrúduithe Stáit**  
**State Examinations Commission**

**Leaving Certificate 2022**

**Marking Scheme**

**Business**

**Higher Level**

## **Note to teachers and students on the use of published marking schemes**

Marking schemes published by the State Examinations Commission are not intended to be standalone documents. They are an essential resource for examiners who receive training in the correct interpretation and application of the scheme. This training involves, among other things, marking samples of student work and discussing the marks awarded, so as to clarify the correct application of the scheme. The work of examiners is subsequently monitored by Advising Examiners to ensure consistent and accurate application of the marking scheme. This process is overseen by the Chief Examiner, usually assisted by a Chief Advising Examiner. The Chief Examiner is the final authority regarding whether or not the marking scheme has been correctly applied to any piece of candidate work.

Marking schemes are working documents. While a draft marking scheme is prepared in advance of the examination, the scheme is not finalised until examiners have applied it to candidates' work and the feedback from all examiners has been collated and considered in light of the full range of responses of candidates, the overall level of difficulty of the examination and the need to maintain consistency in standards from year to year. This published document contains the finalised scheme, as it was applied to all candidates' work.

In the case of marking schemes that include model solutions or answers, it should be noted that these are not intended to be exhaustive. Variations and alternatives may also be acceptable. Examiners must consider all answers on their merits, and will have consulted with their Advising Examiners when in doubt.

## **Future Marking Schemes**














Assumptions about future marking schemes on the basis of past schemes should be avoided. While the underlying assessment principles remain the same, the details of the marking of a particular type of question may change in the context of the contribution of that question to the overall examination in a given year. The Chief Examiner in any given year has the responsibility to determine how best to ensure the fair and accurate assessment of candidates' work and to ensure consistency in the standard of the assessment from year to year. Accordingly, aspects of the structure, detail and application of the marking scheme for a particular examination are subject to change from one year to the next without notice.

Marking Scheme and Support Notes for use with the Marking Scheme.

In considering the marking scheme and the support notes the following points should be noted:

- The support notes presented are neither exclusive nor complete.
- They are **not** model answers but rather a sample of possible responses.
- The support notes in many cases may contain key phrases which must appear in the candidate's answer in order to merit the assigned marks.
- **Further relevant points of information presented by candidates are marked and rewarded on their merits.**
- The detail required in any answer is determined by the context and the manner in which the question is asked and by the number of marks assigned to the answer in the examination paper. Requirements may therefore vary from year to year. Words, expressions or phrases must be correctly used in context and not contradicted, and where there is evidence of incorrect use or contradictions the marks may not be awarded.
- An examiner unsure of the validity of the approach adopted by a particular candidate to a particular question should contact his/her advising examiner.

The table below contains information about annotations used for marking throughout the exam paper.

Annotation	USE	Marks (if applicable)
	Valid information	1
	Valid information	2
	Valid information	3
	Valid information	4
	Valid information	5
	Valid information	6
	Valid information	7
	Valid information	8
	Valid information	9
	Valid information	10
	Valid information	11
	Surplus answer or part of answer	N/A
L2	Marks awarded for linking to text	2
L3	Marks awarded for linking to text	3
EV	Evaluation	
0	Incorrect answer	0
	Page seen by examiner / information not valid	N/A

**SECTION 2**  
**(80 Marks)**  
**Mike's Pizza**

Applied Business Question (Units 4, 5 & 6)			Max Mark
This is a compulsory question.			
<b>(A)</b>	Outline the different strategies that can be used to manage change. Refer to the text in your answer.	30 3@10 (4+3+3) Strategy, explanation, link.	30 marks
<b>(B)</b>	Evaluate the two methods of expansion used by Mike's Pizza.	2 x 10m (3+3+3+ 1) State, explanation, link, Evaluation	20 marks
<b>(C)</b>	<p><b>(i)</b> Discuss the social responsibilities of Mike's Pizza to its stakeholders.</p> <p><b>(ii)</b> Analyse <b>one</b> implication for Mike's Pizza of meeting its social responsibilities</p>	<p>3 x 9m (3 + 3 + 3) Stakeholder, Responsibility and Link</p> <p>3m</p>	30 marks
<b>Section 2</b>	<b>Available Marks</b>		<b>80 marks</b>

In answering the questions on the ABQ, candidates must make use of relevant knowledge and understanding gained in the subject while studying the course in addition to the relevant links from the ABQ.

In relation to the links given, they **must** be a direct relevant quote/phrase/statement from the ABQ indicating that candidates clearly understand the point(s) of theory presented. Separate links are required in each section. No link awarded without relevant theory.

**Section 3**  
**(180 marks)**

Answer **Three** questions from **Section 3** as follows:

**One** question from **Part 1**, **One** questions from **Part 2** and **One** other question from either **Part 1** or **Part 2**. All questions carry equal marks.

**Part 1**

**People in Business / Business Environment**

Question 1			Max Mark
People in Business			
<b>(A)</b>	<b>(i)</b> Explain the term trade union.	5m (2+3)	20
	<b>(ii)</b> Illustrate the impact of trade disputes on any three stakeholders.	3 x 5m (2+3)	
<b>(B)</b>	Outline the non-legislative methods of resolving industrial relations disputes	3 x 5m (2+3)	15
<b>(C)</b>	<b>(i)</b> Define the term discrimination as set out in the Employment Equality Act, 1998-2015.	6m (3+3)	25
	<b>(ii)</b> List five grounds on which discrimination is banned under the Employment Equality Act.	3,3,2,2,2	
	<b>(iii)</b> Outline the role of the Workplace Relations Commission in resolving cases of discrimination.	7m (4+3)	
<b>Q1.</b>	<b>Available Marks</b>		<b>60</b>

Question 2 Domestic Environment			Max Mark
(A)	Evaluate <b>one</b> of the following types of limited companies as a business ownership option. (i) A Private Company Limited by Shares (LTD company). <b>or</b> (ii) A Designated Activity Company (DAC) – (limited by shares).	3 x 6 (3+3)  2m Evaluation	20
(B)	Discuss how the Irish Government could create a positive climate for businesses like Braw Chocolate. Use examples to illustrate your answer	3@7,7,6 (3,3,1) (3,2,1)	20
(C)	(i) Distinguish between the primary sector and the tertiary sector of the economy. (ii) Outline the current trends affecting businesses in the tertiary sector of the Irish economy.	(2 + 3) (2 + 3)  2 x 5m (2+3)	20
Q2.	Available Marks		60

Question 3			Max Mark
International Environment			
(A)	Outline the challenges of <b>global marketing</b> that an Irish business may face when trading internationally.	3@7,7,6 (4+3) (3+3)	20
(B)	(i) Illustrate, by using an example, your understanding of the term an indigenous business. (ii) Discuss the benefits for large indigenous businesses of exporting to new markets.	5m (2+3)  3@5m(2+3)	20
(C)	Describe the role of the European Commission and the European Parliament in the decision-making process of the European Union.	3@7,7,6 (4+3) (3+3) At least one from each.	20
Q3.	Available Marks		60

<b>Question 4</b> <b>People in Business</b>			<b>Max Mark</b>
<b>(A)</b>	Explain the provisions of the Consumer Protection Act 2007, with reference to the following: 1.Price display regulations. 2.Providing misleading, false or inaccurate information. 3.Enforcement of the act.	2 x 7m (4+3) 1 x 6m (3+3)	20
<b>(B)</b>	(i) Outline the role of The Office of the Ombudsman. (ii) Describe two features of the Small Claims Procedure/Small Claims Court.	8 (4+4) 2 x 6m (3+3)	20
<b>(C)</b>	Outline three remedies for Breach of Contract.	2 x 7m (4+3) 1 x 6m (3+3)	20
<b>Q4.</b>	<b>Available Marks</b>		<b>60</b>



**Section 3****Part 2****Enterprise**

<b>Question 5</b>			<b>Max Mark</b>
<b>Managing</b>			
<b>(A)</b>	Evaluate <b>two</b> leadership styles the business manager at M6 motors could adopt, provide reasons for your choice.	2@10m (2+3+3+2) Name Explain Explain Link	20
<b>(B)</b>	Discuss how stock control and quality control achieve efficiencies for a business such as M6 Motors.	2 x 10m (4+4+2) Explain, Explain, Reference	20
<b>(C)</b>	(i) Explain the term intrapreneurship. (ii) Outline three methods management in a business could use to encourage intrapreneurship.	5m (2+3)  3 x 5m (2+3)	20
<b>Q5.</b>	<b>Available Marks</b>		<b>60</b>

Question 6 Managing			Max Mark
(A)	(i) Discuss any three functions of the HR Manager in a business.	3 x 5m(2+3)	20
	(ii) Analyse the impact of remote working on one of the Human Resource Management functions.	1 x 5m(2+3)	
(B)	(i) Explain the term risk management.	5m(2 +3)	20
	(ii) Outline the different ways a business can minimise risks.	3 x 5m (2+3)	
(C)	Compare the similarities and differences for businesses and households in relation to taxation. Use any <b>three</b> of the following headings to structure your answer:  Corporation Tax      PAYE Capital Gains Tax      Local Property Tax (LPT)	7 +7 +6 (4 +3) (3+3)	20
Q6.	Available Marks		60

Question 7 Managing			Max Mark
(A)	(i) Explain the term Debt/Equity Ratio.	5m (2+3)	25
	(ii) Calculate the Debt/Equity Ratio for 2021 and 2020. Show your workings.	3m formula  2 x 6m (2+1+1+2)	
	(iii) Comment as to whether the Debt/Equity Ratio has improved or disimproved?	5m (2+3)	
(B)	Apart from the Debt/Equity Ratio, discuss the factors a business should consider when choosing a source of finance.	4 x 5m (2+3)	20
(C)	Outline the importance of businesses engaging in market research.	3 x 5m (2+3)	15
Q7.	Available Marks		60

Question 8			Max Marks
Business in Action			
(A)	(i) Explain the term channel of distribution. (ii) Draft a diagram of a channel of distribution that Spotlight Oral Care might use. (iii) Outline <b>two</b> implications of using this channel of distribution.	5m (2+3) 6m (3+3) 2 x 7m (4+3)	25
(B)	In relation to the product element of the marketing mix explain the factors a business must consider when designing a new or a revised product.	3x 5m(2+3)	15
(C)	Outline your understanding of any three of the following types of advertising listed below. Provide an example in each case to support your answer.  1. Persuasive advertising 2. Informative advertising 3. Generic advertising 4. Competitive advertising.	2 x 7m 1 x 6m (4+3) (3+3)	20
Q8.	Available Marks		60

## SECTION 2

(80 marks)

### Applied Business Question

Mike's Pizza

(SUPPORT NOTES)

- (A) Outline the different the strategies that can be used to manage change. Refer to the text in your answer.

Question			Possible Responses	Max Mark
(A)			<p><b>1. Training and Development:</b></p> <ul style="list-style-type: none"><li>• Staff must be provided with the skills needed for the use of new technologies so as to achieve efficiencies and provide a better service to its customers.</li><li>• Training increases staff's ability to cope and eases staff's fears about new changes.</li><li>• It can be provided on the job or off the job.</li></ul> <p><b>" Employees were given training in the new systems, contact tracing and new health and safety guidelines."</b></p> <p><b>2. Teamwork:</b></p> <ul style="list-style-type: none"><li>• When employees are arranged into teams it can lead to discussion, innovation and change. Teamwork increases staff's familiarity to change.</li><li>• This can ease reluctance to changes that management introduce.</li></ul> <p><b>"A small team was established to work on this project."</b></p> <p><b>3. Rewards</b></p> <ul style="list-style-type: none"><li>• By providing rewards to employees, behaviour can be influenced as they try to achieve those awards.</li><li>• Rewards may include a profit sharing scheme, so employees are encouraged to work as they will achieve a portion of those profits.</li></ul> <p><b>"The food truck was a huge success, the take-away business model allowed for excellent profit margins."</b></p>	3@10(4+3+3)  Strategy Explain Link

		<p><b>4. Communicate with staff about the changes.</b></p> <ul style="list-style-type: none"> <li>• Management should explain the need for the changes and the consequences of not taking any action to ensure the survival of the firm. Communication should be honest and open.</li> <li>• The benefits of change should be explained to staff. This will reduce uncertainty and tensions among employees.</li> </ul> <p><b>“Initially the employees were apprehensive and weary about the changes”</b></p> <p><b>5. Consultation with staff</b></p> <ul style="list-style-type: none"> <li>• Management can be seen to seek staff input regarding the changes. Staff are allowed give their opinions about the change. This eases reluctance as staff start to shape the changes.</li> <li>• As a result, staff are more likely to be open to changes suggested by management.</li> </ul> <p><b>“ A chef at the Waterford restaurant also suggested that they should source a food truck for local markets.”</b></p> <p><b>6. Facilitator approach to management:</b></p> <ul style="list-style-type: none"> <li>• helping employees perform the tasks rather than controlling the task. This may be achieved by: <ul style="list-style-type: none"> <li>○ coaching</li> <li>○ providing resources</li> <li>○ leading from the back</li> <li>○ creating open and transparent environment that encourages team members to discuss and suggest new ways forward</li> </ul> </li> <li>• As a result, staff are more likely to be open to changes suggested by management.</li> </ul> <p><b>“At a <u>meeting</u>, the employees recommended reducing the menu and also suggested creating new take-away hatches at the business premises.”</b></p>	<p>3@10(4+3+3)</p> <p>Strategy Explain Link</p>
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		<p><b>7. Employee Empowerment:</b></p> <ul style="list-style-type: none"> <li>• Staff should be involved in the decision-making process giving them a sense of ownership in the process of change.</li> <li>• Employees are encouraged and empowered to come up with ideas and these opinions and ideas are taken into account.</li> <li>• This allows employees to feel they have a voice and encourages them to take on extra responsibility.</li> <li>• With the increased responsibility comes increased enthusiasm for the job and doing it right.</li> </ul> <p><b>“At a meeting, the employees recommended reducing the menu and also suggested creating new take-away hatches at the business premises.”</b></p> <p><u>Other strategies may include:</u>  Resource Provider  (Total) Quality Management  Employee Participation  Lead by example</p>	<p>3@10(4+3+3)</p> <p>Strategy  Explain  Link</p>
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(B) Evaluate the two methods of expansion used by Mike's Pizza.

(20 marks)

Question			Possible Responses	Max Mark
(B)			<b>1. Organic expansion / Internal Growth/ Increase sales domestically / Diversification</b> <ul style="list-style-type: none"> <li>The most natural way of growing a business is to increase sales domestically by developing new products or expanding via opening a new store etc.</li> <li>Organic expansion is less risky than inorganic expansion.</li> </ul> <p><b>"and has expanded by opening new restaurants in Cork and Waterford."</b></p>	20
			<b>2. Franchising</b> <ul style="list-style-type: none"> <li>This is when the business owner allows entrepreneurs to use her/his business model in exchange for an upfront fee and a percentage of profits.</li> <li>The business owner, is known as the franchiser, the entrepreneurs who open a version of the business, are franchisees.</li> <li>Strict regulations are drawn up by the franchiser and the franchisee must obey all regulations and rules.</li> </ul> <p><b>"Mike decided to further grow the business and brand through franchising. He conducted a strict vetting process."</b></p> <p><b>" He chose two franchisees to open new restaurants in Galway and Kildare under a franchise business model."</b></p> <p><b>"Legal advice was sought to ensure his franchise agreement clarified procedures, regulations, fees and profits"</b></p>	2@10 (3+3+3, 1) Name Explain Link Evaluate



**(C) Discuss the social responsibilities of Mike's Pizza to its stakeholders. (30 marks)**

Question		Possible Responses	Max Mark
(C)	(i)	<p><b>1. Investors:</b></p> <ul style="list-style-type: none"> <li>A business should be honest and transparent with investors at all times. The business should present a true and fair view of the financial performance and standing of the business. The business have a duty to maintain accurate accounts.</li> <li>The business should also attempt to provide a reasonable return on the investment.</li> </ul> <p><b>“Building relationships has also been vital to funding expansion.”</b></p> <p><b>“Mike maintained open and regular communications with his investors.”</b></p> <p><b>2. Employees:</b></p> <ul style="list-style-type: none"> <li>Business owners and management have a responsibility to pay fair wages to their staff. Employees must be paid at least the minimum wage and must be given wages which reflect the work which has been done and the qualifications and skills of the employees.</li> <li>The business should also ensure safe and healthy working environment</li> <li>The workplace should be maintained to meet legal and moral standards.</li> </ul> <p><b>“Whilst many competitors in the industry experienced staff shortages, ‘Mike’s Pizza’ has attracted and retained a loyal, enthusiastic team of staff.”</b></p> <p><b>3. Customers/Consumers:</b></p> <ul style="list-style-type: none"> <li>The business should provide quality products at reasonable prices. The business must obey consumer legislation and not mislead consumers regarding product/service, price/advertising and information must be truthful and appropriate to the audience targeted.</li> <li>Dealing with complaints in a fair manner and provide customers with an adequate complaints procedure. The business should also provide an after-sales service.</li> </ul> <p><b>“ Mike also runs competitions on social media to reward his customers who like and share his content.”</b></p>	<p><b>30</b></p> <p><b>3@9m (3+3+3)</b></p> <p>Stakeholder Responsibility Link</p>

		<p><b>4. Suppliers:</b></p> <ul style="list-style-type: none"> <li>Honour the contracts agreed. Prompt payments within the time agreed. No pressure/duress. Follow tendering procedures where applicable. The business should pay fair price and be ethical in negotiations.</li> </ul> <p><b>“Mike also insisted on sourcing high quality suppliers.”</b></p> <p><b>5. Government:</b></p> <ul style="list-style-type: none"> <li>Pay all taxes when due PAYE, VAT and Corporation Tax. Comply with various legislation (i.e. employment law, environmental law, company law, consumer law etc.)</li> <li>Use government finance provided as intended (Grants). Co-operate with government departments and agencies.</li> </ul> <p><b>“ The food truck was a huge success, the take-away business model allowed for excellent profit margins.”</b></p>	
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(C) (ii) Analyse one implication for Mike of the business meeting their social responsibilities.

(30 marks)

Question		Possible Responses	Max Mark
(C)	(ii)	<p><b>Higher production costs</b> Businesses that produce sustainable products could face higher costs due to employees are paid fairly and a fair price for materials is paid etc.</p> <p><b>Training must be provided</b> Regular staff training must be provided to ensure that employees understand their social responsibilities in the business. This training reduces productivity as the employees are not working during this time.</p> <p><b>Easier to attract investment</b> Some investors will now only invest in businesses who meet their ethical, social and environmental responsibilities. More and more investment firms are conscious of reputation damage and want to avoid scandal.</p> <p><b>Recruitment and retention</b> Firms who treat employees fairly and behave in an ethical manner benefit from low staff turnover. This reduces costs of recruitment and training. Employees tend to remain in ethical firms and it can be easier to attract new employees also.</p> <p><b>Customer Loyalty</b> Consumers are now much more aware of the impact of their purchasing decisions. More and more companies are seeing customers demand better standards and see the benefits of being more socially responsible. Socially responsible firms have extremely loyal customers.</p> <p><b>Increased Profits</b> As a result of the business meeting their social responsibility they may generate positive public relations, which can promote the business, resulting in increased sales. This increase in sales revenue will generate higher profits for the business.</p> <p><b>Legislative requirements</b> In meeting certain social responsibilities, legislative requirements will also be met, for example minimum wage. As the business is compliant with laws they avoid investigation and penalties.</p>	1@3m

### Section 3 (180 marks)

Answer **three** questions from **Section 3** as follows:

**One** question from **Part 1**, **One** question from **Part 2** and **One** other question from either **Part 1** or **Part 2**. All questions carry equal marks.

#### Part 1

#### People in Business / Business Environment

#### Question 1

- (A) (i) Explain the term **trade union**.  
(ii) Illustrate the impact of trade disputes on any three stakeholders. (20)

Question			Possible Responses	Max Mark
1	(A)	(i)	A trade union is an organisation of <b>employees</b> that promotes and protects the <b>interests of its members in issues such as wages and working conditions</b> , especially through negotiations with employers. Employees pay a subscription to be a union member. The trade union aim to protect and improve pay and conditions for their members.	20 5m (2+3)
		(ii)	<p><b><u>Suppliers:</u></b> Suppliers can experience a decrease in sales and profitability as the business is closed for a period of time. i.e. the business will order less/no raw materials during a period of industrial action such as a strike.</p> <p><b><u>Government:</u></b> Decrease in tax revenue. The government will receive less tax revenue from PAYE and VAT when a business is on strike.</p> <p><b><u>Consumers:</u></b> Consumers might be unable to buy goods and services due to industrial action. This is an inconvenience due to the loss of a service/ being unable to access products. The consumer might decide to buy the product from a competitor.</p> <p><b><u>Employees:</u></b> During an industrial dispute the employees may suffer a loss of wages and the dispute can impact job security.</p> <p><b><u>Investors:</u></b> Dividends will potentially decrease for investors due to decreased profitability during industrial action.</p> <p><b><u>Employer:</u></b> Industrial action can damage the business's reputation and lead to decreased sales and profitability.</p>	3 x 5m (2+3)

**(B)** Outline the non-legislative methods of resolving industrial relations disputes.

**(15)**

Question		Possible Responses	Max Mark
1	(B)	<p><b>Meeting/Talk:</b> The employee and the employer can meet to discuss the issue and try to resolve the problem. The shop steward might meet with the HR manager to discuss an issue affecting an employee or group of employees.</p> <p><b>Negotiation/Bargaining</b> Both parties can <b>compromise/use counter arguments</b> to reach a middle ground.</p> <p><b>Mediation</b> A third party becomes involves and tries to open communication between the parties involved in the conflict.</p> <p><b>Conciliation</b> A third party becomes involves and tries to open communication between the parties and may offer a suggestion for parties to consider to resolve the conflict. The parties agree a solution themselves.</p> <p><b>Arbitrator</b> An independent third party can listen to both sides of the dispute and then make a recommendation. Normally the parties agree in advance to accept the recommendation. Arbitration can be binding or non-binding.</p>	15  3 x 5m (2+3)

- (C) (i) Define the term **discrimination** as set out in the Employment Equality Act 1998-2015.
- (ii) List **five** grounds on which discrimination is banned under the Employment Equality Act.
- (iii) Outline the role of the Workplace Relations Commission in resolving cases of discrimination.

Question			Possible Responses	Max Mark
1	(C)	(i)	An employee is said to be discriminated against if he or she is treated in a less favourable way than another person is, has been or would be treated (in a comparable situation on any of the nine distinct grounds.)	25
		(ii)	<p>List five grounds on which discrimination is banned under the Employment Equality Act.</p> <ul style="list-style-type: none"> <li>• Civil (marital) status</li> <li>• Family status</li> <li>• Sexual orientation</li> <li>• Religion</li> <li>• Age</li> <li>• Race</li> <li>• Membership of the Traveller community</li> <li>• Gender</li> <li>• Disability</li> </ul>	6m (3+3)
		(iii)	<p><b>Outline the role of the Workplace Relations Commission in resolving cases of discrimination.</b></p> <p><b>Mediation:</b> The WRC can investigate a case of discrimination by appointing an Equality Mediation Officers who deal with the case in a conciliatory manner. Equality Mediator, who facilitates both parties to reach a mutually acceptable agreement.</p> <p>Mediation is an attempt to get agreement between the parties. At the end of mediation both sides sign an agreement which is legally binding so that both sides must keep to the terms of the decision. Mediation is held in private and the agreement is not published.</p> <p><b>Adjudication:</b></p> <p>If you do not reach an agreement through mediation you can request your case be brought to investigation by an adjudication officer.</p> <p>The adjudication officer hears a case and makes a legally binding decision on the dispute.</p>	7m  4m (2+2)      3m (2+1)

## Question 2

- (A) Evaluate **one** of the following types of limited companies as a business ownership option for a start-up.
- (i) A Private Company Limited by Shares (LTD company).
- or
- (ii) A Designated Activity Company (DAC) – **(20)**

Question		Possible Responses	Max Mark														
2	(A)	<p>The Act provides for the creation of two types of private limited company:</p> <ul style="list-style-type: none"><li>a company limited by shares (Ltd) - these companies are expected to be the most widely utilised companies; and</li><li>a designated activity company (DAC) - these most closely resemble current private limited companies</li></ul> <p><b>Overview of Features:</b></p> <table><tr><th>Company Limited by Shares (Ltd)</th><th>Designated Activity Company (DAC)</th></tr><tr><td>Must end in the suffix Limited or LTD</td><td>Must end in the suffix Designated Activity Company or DAC</td></tr><tr><td>Minimum of 1 director</td><td>Minimum of 2 directors</td></tr><tr><td>1 – 149 shareholders</td><td>1 – 149 shareholders</td></tr><tr><td>May dispense with holding the AGM</td><td>Cannot dispense with holding the AGM</td></tr><tr><td>No requirement for an authorised share capital: There is no limit on the number of shares it can issue.</td><td>Must have an authorised share capital</td></tr><tr><td>Articles of Association only: This document will have no objects clause so the company will not be restricted in what it can do.</td><td>Memorandum and Articles of Association: Capacity limited to the objects clause in the Memorandum</td></tr></table> <p><b>The following apply to both types of limited companies;</b></p> <p><b>Limited Liability:</b></p> <p>The shareholders of a private limited company have limited liability. This means that the shareholders are not personally liable and can only loose the amount of their original investment, if the business fails.</p> <p><b>Easier to raise capital:</b></p> <p>One of the main advantages of the private limited company structure is the ability to raise capital by selling shares up to a maximum of 149 shareholders.</p>	Company Limited by Shares (Ltd)	Designated Activity Company (DAC)	Must end in the suffix Limited or LTD	Must end in the suffix Designated Activity Company or DAC	Minimum of 1 director	Minimum of 2 directors	1 – 149 shareholders	1 – 149 shareholders	May dispense with holding the AGM	Cannot dispense with holding the AGM	No requirement for an authorised share capital: There is no limit on the number of shares it can issue.	Must have an authorised share capital	Articles of Association only: This document will have no objects clause so the company will not be restricted in what it can do.	Memorandum and Articles of Association: Capacity limited to the objects clause in the Memorandum	20  3 x 6m (3+3)  Evaluation 2m
Company Limited by Shares (Ltd)	Designated Activity Company (DAC)																
Must end in the suffix Limited or LTD	Must end in the suffix Designated Activity Company or DAC																
Minimum of 1 director	Minimum of 2 directors																
1 – 149 shareholders	1 – 149 shareholders																
May dispense with holding the AGM	Cannot dispense with holding the AGM																
No requirement for an authorised share capital: There is no limit on the number of shares it can issue.	Must have an authorised share capital																
Articles of Association only: This document will have no objects clause so the company will not be restricted in what it can do.	Memorandum and Articles of Association: Capacity limited to the objects clause in the Memorandum																

			<p><b>Separate legal entity:</b> The start-up business is incorporated and is a separate legal identity in the eyes of the law, meaning that it can sue or be sued in its own name and enter business contracts. This could be important in a patent case protecting the start-up from copy-cat rivals.</p> <p><b>Continuity of existence:</b> The company is legally independent of its owners and therefore it can stay in existence even after the death of a shareholder. Other advantages: Bigger pool of talent/ Better credit rating from banks than partnerships and sole traders/increased specialisation, etc.</p> <p><b>Taxation</b> As a company, Corporation Tax is paid on profits. This is lower than income tax that would be paid for a self employed individual (sole trader). This means that a higher proportion of profits are available after taxation for ploughing back into the business or paying to share holders as a dividend.</p>	
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- (B) Discuss how the Irish Government could create a positive climate for businesses in Ireland like Braw Chocolate. Use examples to illustrate your answer. (20)

Question		Possible Responses	Max Mark
2	(B)	<p><b>Government Grants/Support for the Labour Force during Covid 19</b></p> <ul style="list-style-type: none"> <li>Government supports such as payments supports to employees. This can help businesses maintain staffing levels and reduced wage costs during the pandemic.</li> <li>The government offered financial supports (businesses supports loans from €25,000 up to €1.5 million with a maximum interest rate of 4%.) to businesses who were affected by Covid 19.</li> <li>Braw could have applied to the government for financial support during the covid 19 pandemic.</li> </ul> <p><b>Increase capital expenditure:</b></p> <ul style="list-style-type: none"> <li>The government could increase capital expenditure on infrastructure, schools, hospitals etc. This will create jobs and consumer demand and thus increase business sales.</li> <li>Sales for businesses like Braw chocolate will increase when there are high employment levels locally.</li> </ul> <p><b>Government State agencies – Accept stating a specific stage agency and the service Braw could avail of.</b></p> <ul style="list-style-type: none"> <li>Through a network of state agencies that give business advice, training and guidance, mentoring services and grant aid to facilitate growth and expansion. Examples include: Fáilte Ireland (developing and promoting tourism) Enterprise Ireland (grant aid to indigenous industry, e.g. R&amp;D and marketing) SOLAS (provides industrial training for workers) IDA Ireland (provides grant aid to attract FDI) County Enterprise Boards to encourage entrepreneurship.</li> </ul> <p><b>Increased current expenditure on public sector wages/social welfare:</b></p> <ul style="list-style-type: none"> <li>National wage agreements for public sector workers involving the social partners would lead to a spin off effect for businesses as public sector workers would have more disposable income. Increases in social welfare payments would also increase the spending power of a proportion of the population.</li> <li>This increases sales for businesses in the services industry such as Braw Chocolate.</li> </ul>	<p>20</p> <p>3@7,7,6 (3,3,1) (3,2,1)</p>

			<p><b>Government invests in Education and Training:</b></p> <ul style="list-style-type: none"> <li>• The government invests in 3rd level education for all students in Ireland exempt of tuition fees ensures a steady supply of highly skilled labour.</li> <li>• Training provided through organisations such as SOLAS, for unemployed people allows for up-skilling and helps the unemployed to re-enter the labour force.</li> <li>• This helps provide businesses with the skilled labour they require – Braw chocolate would have the pastry chefs/chocolatiers they require.</li> </ul> <p><b>Taxation</b></p> <p>By creating a low tax environment for business, entrepreneurs are encouraged to establish business as they can retain most of the gains they make. Low corporation tax ensures that the entrepreneur retains most of what they gain in the business.</p>	
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- (C) (i) Distinguish between the primary sector and the tertiary sector of the economy.
- (ii) Outline the current trends affecting businesses in the tertiary sector of the Irish economy.

Question			Possible Responses	Max Mark
2	(C)	(i)	<p><b>Distinguish between the primary sector and the tertiary sector of the economy.</b></p> <p>The primary sector refers to working with the natural resources. The primary sector is the extractive industries such as mining, agriculture, fishing, forestry etc. The tertiary sector refers to the <b>services industry</b>. The services sector is the largest sector in Ireland. The aim of the sector is to provide a range of services to businesses and consumers. E.g. financial services, medical services, transport services, leisure services.</p> <ul style="list-style-type: none"> <li>• Tourism is one of the most significant service sectors. It is labour intensive and a major source of employment.</li> <li>• The IFSC was built to attract and support companies who engage in internationally traded services such as finance, insurance, consulting and communications.</li> </ul>	<p>20 10m (2 + 3) (2 + 3)</p>
		(ii)	<p><b>Outline the current trends affecting businesses in the tertiary sector of the Irish economy.</b></p> <p><b>Increase sales:</b></p> <ul style="list-style-type: none"> <li>• Ireland has experienced a surge in economic growth. Consumer savings increased due to lockdowns, this coupled with reductions in USC etc have increased disposable income. This has led to increased sales for service providers such as businesses in the hospitality sector, hotels, restaurants etc. Accept appropriate development.</li> </ul> <p><b>Value Added Tax:</b></p> <ul style="list-style-type: none"> <li>• The rate of Value Added Tax in the tourism and hospitality sector was reduced to 9.5%.</li> <li>• This improved competitiveness for the tourism industry.</li> </ul> <p><b>Increased Competition:</b></p> <ul style="list-style-type: none"> <li>• Traditional service providers face increased competition from online service providers. E.g. Financial service providers such as banks face competition from online service providers such as KBC bank.</li> </ul> <p><b>E-commerce</b></p> <ul style="list-style-type: none"> <li>• The growth of e-business, a method of buying and selling goods and services over the internet, is changing the dynamic</li> </ul>	<p>10m 2 x 5m (2+3)</p>

			<p>of the services sector. Retailers moving to on-line operations include Tesco and Next.</p> <p><b>Shortage of staff – shortage of the availability of service staff.</b></p> <ul style="list-style-type: none"> <li>• The overall employment numbers in tertiary sector have increased:</li> <li>• The number of people employed in the services industry continues to grow. However, many businesses in the services industry are struggling to recruit staff. Tourism industry employment numbers have increased annually.</li> </ul> <p><b>Access to technology.</b></p> <p>Poor access to broadband especially in rural areas.</p> <p>Poor use of websites for selling to consumers.</p> <p><b>Commercial Rates</b></p> <p>Commercial rates charged to business by local authorities. They have placed small local retailers under huge pressure as they try to compete with larger retailers.</p> <p><b>Wage increases:</b> Successful wage demands in the transport sector such as Dublin Bus and Luas have led to knock on claims in the services sector. This reduces the profits of businesses in the services industry.</p>	
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### Question 3

- (A) Outline the challenges of global marketing that an Irish business may face when trading internationally. (20)

Question		Possible Responses	Max Mark
3	(A)	<p><b>Global Product:</b></p> <p>A business which intends to sell a product globally aims to sell a standardised product in all markets worldwide. The product is designed in a manner which appeals to most consumers. However, branding, packaging or some elements may have to be adapted to suit a local market.</p> <p><b>Global Price:</b></p> <p>A global firm aims to sell their product/service for the same price to consumers around the world. However, they must consider the cost of living in each country, taxation, exchange rates, distribution costs and local competitors before setting prices in each jurisdiction.</p> <p><b>Global Place:</b></p> <p>Distribution channels vary around the world. Businesses may engage in direct export – selling online/retailers directly to customers, using an agent to sell on its behalf in return for commission, licensing agreements where other manufacturers produce the product for a fee, establishing a manufacturing plant abroad or joint venture agreements.</p> <p><b>Global Promotion:</b></p> <p>Most global firms use the same promotion methods worldwide. This lowers costs but some minor changes may be required in some regions. Factors such as language, cultural differences, legislation and technology must be taken into consideration.</p>	<p>20</p> <p>2 x 7 (4+3)</p> <p>1 x 6 (3+3)</p>

- (B) (i) Illustrate, by using an example, your understanding of the term an indigenous business.  
(ii) Discuss the opportunities for large indigenous businesses of exporting internationally.

(20)

Question			Possible Responses	Max Mark
3	(B)	(i)	<p>An indigenous business is a business which is owned by residents of a country that it operates in.</p> <p>An indigenous firm is a business that was established by Irish residents and operates primarily in Ireland.</p> <p>E.G. Dunnes stores are an example of an Irish indigenous firm.</p>	<p>20</p> <p>5marks (2+3) Example Required.</p>
		(ii)	<p><b>Increased Sales/Emerging Markets:</b>  Irish business can export to new and emerging markets in Asia, South America and Africa. As income levels rise in these new markets the demand for products increases.</p> <p><b>Reduced costs – Achieve Economies of scale</b>  Exporting can lead to indigenous firms achieving economies of scale due to ‘bulk buying’ raw materials in larger quantities. This in turn can increase profitability as the cost per unit of producing the product decreases.</p> <p><b>Diversification</b>  An indigenous firm is less reliant on their domestic/home market. The business will be able to survive economy slowdowns in their domestic economy.</p>	<p>3@5m (2+3)</p>

- (C) Describe the role of the European Commission and the European Parliament in the decision-making process of the European Union. (20)

Question			Possible Responses	Max Mark
3	(C)		<p><b>European Commission</b></p> <p>The European Commission is <b>responsible for proposing/drafting all new EU laws for discussion.</b></p> <p>The Commission comprises of 27 Commissioners from each member state who are nominated by their Governments and appointed by the Parliament.</p> <p>If laws are passed the Commission is <b>responsible for ensuring the law is implemented across member states</b> through directives, decisions or regulations.</p> <p><b>European Parliament</b></p> <p>There are 705 Members of the European Parliament (MEPs) directly elected from all member states by EU citizens.</p> <p>Their role is to represent citizen's interest in relation to EU law making. The MEPs <b>discuss and debate all new legislation proposed</b> by the European Commission.</p> <p>The <b>Parliament puts forward amendments</b> to legislation proposed by the Commission before it will be passed.</p>	<p>20</p> <p>2 x 7 (4+3)</p> <p>1 x 6 (3+3)</p>

## Question 4

(A) Explain the provisions of the Consumer Protection Act 2007, with reference to the following:

1. Price display regulations.
2. Providing misleading, false or inaccurate information.
3. Enforcement of the act.

(20)

Question		Possible Responses	Max Mark
4	(A)	<p><b>1. Price display regulations.</b></p> <p><b>Price Display</b></p> <p>The Act provides that prices of certain products must be displayed inclusive of charges, fees and taxes.</p> <p>The Consumer Protection Act 2007 gives the Minister for Enterprise, Trade and Employment the power to make Regulations around how prices are displayed. For example, they could require that prices of certain products must be displayed inclusive of charges, fees and taxes.</p> <p>Price controls</p> <p>The Prices Acts 1958 – 1972 gives the Minister for Enterprise, Trade and Employment a range of powers to set maximum prices. The Consumer Protection Act 2007 repeals all of these powers except the power to control prices in emergency situations. It provides that the power to control prices in emergency situations must be exercised by the government and not the Minister.</p> <p><b>2. Providing misleading, false or inaccurate information.</b></p> <p>The Act protects consumers from misleading, aggressive or prohibited practices. A misleading practice involves providing false, misleading and deceptive information. Misleading practices are banned if they would be likely to impair the average consumer's ability to make an informed choice in relation to a product and would cause the average consumer to make a decision about a transaction that they would not otherwise make.</p> <p>The Act prohibits traders from engaging in aggressive practices such as harassment, coercion, or exercising undue influence. Examples of harassment are pressurising, intimidating and taking advantage of vulnerable consumers.</p> <p>A commercial practice is considered 'unfair' if it meets two conditions:</p> <ol style="list-style-type: none"> <li>1. It is misleading (giving false information or leaving out important information) or aggressive (putting pressure on the consumer to buy)</li> <li>2. It is likely to distort a buying decision.</li> </ol>	<p>20</p> <p>(7 + 7 + 6)</p> <p>(4+3)</p> <p>(3+3)</p>



		<p>A commercial practice is misleading if it includes false or inaccurate information about the:</p> <ul style="list-style-type: none"> <li>• Existence or nature of a product</li> <li>• Main characteristics of the product, including its availability at a particular time, place, or at a particular price</li> <li>• Usage and prior history</li> <li>• The price of the product or service, how the price was calculated or the existence and nature of a specific price advantage</li> <li>• The existence, extent or nature of any approval or sponsorship (direct or indirect) of the product by others</li> <li>• Legal rights of a consumer (including when, how or under what circumstances those rights may be exercised)</li> </ul> <p><b>3. Enforcement of the act.</b></p> <p>The Consumer Protection Act 2007 allows the CCPC to take enforcement action against a trader who fails to comply with consumer law.</p> <p>CCPC may accept a written agreement from the trader containing whatever terms and conditions the CCPC thinks are appropriate. If the trader fails to comply, then the CCPC may look for an injunction or a prohibition order against the trader.</p> <p>The CCPC may serve a compliance notice on a trader where it considers they have engaged in a prohibited activity. A compliance notice is a written notice telling the trader to fix the breach of consumer legislation. The trader has 14 days to appeal the notice. If the trader fails to comply, the CCPC may take criminal proceedings.</p> <p>The CCPC can give on-the-spot penalties for offences relating to the display of prices. Penalty is a fine of €300 to be paid within 28 days. If a trader fails to pay, the CCPC may take criminal proceedings</p> <p>The CCPC is also required to keep and publish a Consumer Protection List. The Consumer Protection List is a list of traders who have been:</p> <ul style="list-style-type: none"> <li>Convicted of criminal offences</li> <li>Subject to court orders</li> <li>Bound by an undertaking</li> <li>Served with a compliance notice</li> <li>Subject to a fixed payment notice</li> </ul> <p>The CCPC may apply to the courts for an order requiring a trader who has been convicted of a number of specified offences to publish, at their expense, a corrective statement about the offence.</p>	
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- (B) (i) Outline the role of The Office of the Ombudsman.  
(ii) Describe two features of the Small Claims Procedure/Small Claims Court.

(20)

Question			Possible Responses	Max Mark
4	(B)	(i)	<p><b><u>The Office of the Ombudsman.</u></b></p> <p><b>Types of claim</b>  The Ombudsman can investigate a complaint if you believe that a public service body has given you the wrong information or your complaint has not been dealt with properly.</p> <p><b>Last Resort</b>  The Ombudsman will only investigate a claim if all other procedural routes have been exhausted.</p> <p><b>Types of investigation</b>  They can also investigate a decision that you believe to be unfair, has been delayed or where the reason for the decision has not been properly explained to you.</p> <p><b>Agencies not in its remit</b>  There are certain complaints that the Ombudsman cannot examine. They include complaints about:</p> <ul style="list-style-type: none"> <li>• Clinical judgements of doctors or other medical professionals</li> <li>• Job applications</li> <li>• Decisions relating to immigration or naturalisation</li> <li>• How prisons are run</li> <li>• The Office of the Ombudsman cannot examine a complaint if you have already started legal proceedings against a public body for the same complaint.</li> </ul> <p><b>Preliminary Investigation</b>  If the Ombudsman can take your case on they will begin a preliminary investigation and ask the public service body to provide relevant information. You may also be informally interviewed at this stage.</p> <p><b>Formal Investigation</b>  In a formal investigation, the Ombudsman will draft a statement of complaint in consultation with you. The investigation will be carried out in private and usually in writing. The Ombudsman may demand any information, files or documents to help him or her carry out the investigation. At the end of the investigation process, the Ombudsman must inform you of the decision</p>	<p>20</p> <p>8m</p> <p>4 + 4</p>

		<p><b>Outcome of Investigation</b> Depending on the outcome, they may ask the provider to change its decision or offer an explanation and/or compensation.</p> <p><b>Recommendations</b> The Ombudsman can only make recommendations. Their decisions are not legally binding.</p> <p><b>(ii) <u>Small Claims Court:</u></b> <b>Types of claim</b> The following types of consumer claims can be dealt with under the small claims procedure:</p> <ul style="list-style-type: none"> <li>• Consumer claims such as for faulty goods or bad workmanship.</li> <li>• You must have bought the goods or service for private use from someone selling them in the course of business.</li> <li>• Claims can also be made for minor damage to your property.</li> <li>• Claims for the non-return of a rent deposit for certain kinds of rented properties, such as, a holiday home or a flat in a premises where the landlord also lives.</li> <li>• Consumer claims cannot be made through the small claims procedure for debts, personal injuries or breach of leasing or hire-purchase agreements.</li> <li>• Businesses can make claims against other businesses in relation to contracts for goods or services purchased. It does not apply to claims in relation to: Agreements to which the Consumer Credit Act 1995 applies; breaches of leasing agreements, debt or liquidated damages.</li> </ul> <p><b><u>Low cost/affordable:</u></b> To apply to the Courts Service a fee of €25 must be paid.</p> <p><b><u>Compensation</u></b> Can award compensation up to the value of €2000.</p> <p><b>The consumer does not have to hire a solicitor. This limits the legal costs and is convenient.</b></p> <p><b><u>Convenience/Speed:</u></b> The retailer/service provider is given two weeks to respond to the case, otherwise a court date is set in the District Court. Impartial/Appeals: The case is heard by an impartial judge who makes a decision on the claim. The decision may be appealed to the Circuit Court if either party are not happy with the judgement. Access to online Small Claims Procedure.</p>	<p>12m</p> <p>2 x 6m (3+3)</p>
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- (C) Outline **three** remedies for 'Breach of Contract' available to the other party involved.  
(20)

Question		Possible Responses	Max Mark
4	(C)	<p><b>Sue for Damages/Compensation</b> The injured/other party in the contract can bring court proceedings against the party who breached the contract. The Judge can order the defendant to pay compensation for any losses incurred by the complainant due to the breach.</p> <p><b>Specific Performance</b> A judge can order either party to fulfil their contractual obligations. The judge orders one party to complete their side of the legal agreement.</p> <p><b>Rescind the Contract</b> A Judge may cancel the contract in its entirety. Both parties in the contract return to the same position as before the contract was made.</p>	<p>20</p> <p>2 x 7m (4+3)</p> <p>1@6 (3+3)</p>

## SECTION 3

### Part 2

### Enterprise

#### Question 5

- (A) Evaluate two leadership styles the business manager at M6 motors could adopt, provide reasons for your choice. (20)

Question		Possible Responses	Max Mark
5	(A)	<p><b>Democratic Leadership Style</b></p> <p>A Democratic leader is the most suitable management style for this type of business. This type of leader involves staff, trust their staff, has open communication and delegates responsibility.</p> <p><b>Staff are consulted about decisions.</b> A democratic leader is inclusive and involves employees in decision making. This helps the employees to feel a sense of trust and this increases staff motivation. The leader at M6 motors could improve staff motivation by consulting staff about decisions.</p> <p><b>Improved communications and improved decision making.</b> Problems can be more easily solved with open channels of communication, employees in this type of business will not fear their manager and can approach them with issues in the business.</p> <p><b>Increased Productivity.</b> Employees who are motivated work harder. If an employee is happy in their workplace, they feel trusted and valued, their output will increase.</p> <p><b>Creates a culture of intrapreneurship.</b> Democratic leaders actively encourage their employees to be creative. Employees are also more likely to be more creative and innovative as they are valued in the organisation.</p> <p><b>Reduces management workload and stress</b> – by delegating responsibility and empowering staff, democratic leaders free up more time to focus on the long-term goals of the business.</p> <p><b>Easier to implement change</b> – a democratic leader can introduce change in a workplace much more seamlessly as they have the respect and trust of their employees. They openly communicate and consult with staff which results in buy-in from the employees.</p>	20  2@10 (2+3+3+2)

		<p><b>Autocratic leadership Style</b></p> <p>The leader gives instructions to subordinates. S/he makes decision without consulting with anyone. Example: A product recall or an emergency in store.</p> <p>Characteristics</p> <ul style="list-style-type: none"> <li>• The leader gives instructions to subordinates.</li> <li>• Decision making is not shared/no consultation.</li> <li>• Little room for employee innovation.</li> </ul> <p><b>Laissez faire (Free reign) Leadership</b></p> <p>Management involvement is minimised/Very highly skilled employees (such as middle managers) may make their own decisions and there is no requirement for central coordination.</p> <p>Characteristics</p> <ul style="list-style-type: none"> <li>• Very highly skilled employees/experts (such as middle managers).</li> <li>• This involves allowing subordinates to set their own goals and achieve them without interference of management.</li> <li>• Requires employees who are very engaged with their work.</li> </ul>	
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**(B)** Discuss how stock control and quality control achieve efficiencies for a business such as M6 motors. (20)

Question		Possible Responses	Max Mark
5	(B)	<p><b>Stock Control</b></p> <p>A business needs to control its stock to ensure it has optimum stock levels to meet customer demand at all times.</p> <p>Too much stock will lead to obsolescence, tied-up capital, increased storage and insurance costs and risk of theft.</p> <p>Too little stock can lead to lost sales, reduces customer loyalty and result in brand damage.</p> <p><b>Quality Control</b></p> <ul style="list-style-type: none"> <li>• The aim of quality control is to ensure that all products reach a specific standard set by the business, the industry or quality organisations.</li> <li>• It can involve appointing a Quality controller, doing regular physical inspections, sampling etc.</li> </ul>	<p>20</p> <p>2 x 10 (4,4,2)</p> <p>(4,4,2)</p>

			<ul style="list-style-type: none"> <li>These systems will result in consistence and greater customer satisfaction. A business can also apply for Quality awards such as Q mark or ISO9000.</li> </ul>	
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- (C) (i) Explain the term intrapreneurship.
- (ii) Outline three methods, management in a business could use to encourage intrapreneurship. (20)

Question			Possible Responses	Max Mark
5	(C)	(i)	<ul style="list-style-type: none"> <li>An employee within a business who engages in entrepreneurial activity/comes up with new ideas within/for the business in which she/he is employed.</li> <li>Intrapreneurs come up with ways of reducing costs or ideas for new products.</li> </ul>	20 5m (2+3)
		(ii)	<p><b>Provide resources – Time and capital</b> Make resources available to help employees to pursue their ideas (e.g. finance, time).</p> <p><b>Financial rewards for effort and creativity</b> These rewards could involve a mixture of pay, incentives and benefits.</p> <p><b>Adopt a matrix organisational structure/arrange staff into teams/brainstorming sessions</b> Teamwork encourages creativity among employees as it facilitates brain storming sessions as part of the product development process etc.</p> <p><b>Adopt a facilitative approach to management</b> Manager could adopt a facilitative approach to management.</p>	3 x 5m (2+3)

## Question 6

- (A) (i) Discuss any three functions of the HR Manager in a business.  
(ii) Analyse the impact of remote working on one of the Human Resource Management functions. (20)

Question			Possible Responses	Max Mark
6	(A)	(i)	<p><b>HR Planning/Manpower Planning:</b></p> <ul style="list-style-type: none"> <li>This involves having the right people with the right skills in the right place at the right time throughout the business. It involves doing a human resource audit and estimating future human resource needs.</li> <li>The Human Resource Manager must audit present staff resources, forecast staff needs, and then make a plan to either increase/decrease staff levels.</li> </ul> <p><b>Recruitment/Selection:</b></p> <ul style="list-style-type: none"> <li>Recruitment and selection is concerned with finding or attracting the best potential candidates with the appropriate skills and then picking the most suitable candidates for employment.</li> <li>The Human resource manager must draw up a job description and person specification and then advertise the position. The applicants must be screened (short-listed). Selection is usually by means of an interview process.</li> </ul> <p><b>Training/Development:</b></p> <ul style="list-style-type: none"> <li>Training is concerned with improving the employees' ability to perform their job in an effective manner.</li> <li>The company invests in training leading to better knowledge and skills among employees. This results in better customer service and a better experience for customers.</li> <li>Induction training helps new employees fit into the workplace (learn about the job/the policies/rules of the company etc). Other types of training include internal/external training.</li> <li>Development prepares the employees for new responsibilities and greater challenges in the workplace. Helps employees self-actualise.</li> </ul> <p><b>Performance Appraisal:</b></p> <ul style="list-style-type: none"> <li>This is the process of evaluating the performances, progress, contribution and effectiveness of an employee. It ensures high performance standards in the business, leading to organisational success. It provides for two-way communication and clarification of objectives/ feedback is provided for employees on performance to enable improvements to be made.</li> <li>A meeting is held with the employees to review their progress and set targets for the future.</li> <li>Regular reviews are vital to the performance appraisal process.</li> </ul> <p><b>Rewarding:</b></p>	20  3 x 5m (2+3)



		<ul style="list-style-type: none"> <li>• Rewarding employees is concerned with offering employees monetary and or non-monetary rewards for work well done. This can lead to a motivated workforce.</li> <li>• Rewards offered by the HR department may include wages, salaries, bonuses, benefit-in-kind, share options, pension plans, promotion etc.</li> <li>• The Human Resource Manager negotiates each employee's remuneration package and keeps it under review.</li> <li>• Monetary and non-monetary rewards are used to satisfy the wide-ranging needs of the workforce.</li> </ul> <p><b>Managing Industrial Relations</b></p> <ul style="list-style-type: none"> <li>• A function of the HR department is to promote and maintain positive industrial relations in the organisation.</li> <li>• HR departments take a proactive approach to ensure positive industrial relations by attempting to maintain open communications with staff and develop grievance procedures.</li> <li>• This is to ensure issues are resolved quickly.</li> </ul> <p><b>Pay &amp; Rewards:</b></p> <p>(ii) The payment and rewards system for certain businesses and particular employees may have to be altered to take into consideration the new work systems implemented. Staff working from home will have to be provided with necessary equipment to perform their roles. Remuneration for electricity expenses, internet and telephone costs etc. must also be factored into the changes. Pay scales and wage rates may also have to adjust in line with changing circumstances.</p> <p><b>Training &amp; Development:</b></p> <p>Remote working requires huge investment and facilitation of training for new systems. HR managers must organise training for any staff who may have to change how and where they work. The method of training will most likely be done remotely and this may cause difficulty or confusion for staff that are not physically present for training courses.</p> <p><b>Employer/Employee Relations:</b></p> <p>The relationship between management and staff can change dramatically as a result of no longer being in the same facility. HR managers must ensure that staff are well communicated with and regularly. They must also assist staff who may be having difficulty with isolation from colleagues. There is also the risk that some staff may not be as productive working remotely and required more supervision.</p>	5m (2+3)
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- (B)** (i) Explain the term risk management.  
(ii) Outline the different ways a business can minimise risks.

(20)

Question			Possible Responses	Max Mark
6	(B)	(i)	It involves: - The <b>identification of all possible risks/losses</b> e.g. the risk of fire, employer negligence, personal injury loss, legal liability etc and trying to <b>minimise</b> the impact of these risks occurring.	20  5m (2+3)
		(ii)	<p><b>Insurance:</b>  Transfer the risk to an insurance company for a premium where the company will make good any loss suffered.</p> <p><b>Safe procedures:</b> The manner/act of doing something is strictly laid out and adhered to/ /stringent monitoring procedures/secure procedures for managing cash.</p> <p><b>Health and Safety/Health and Safety statements:</b>  Regulations, identification of hazards, etc.</p> <p><b>Training</b> of personnel in health and safety. Drills, courses of action and medical training.</p> <p><b>Appoint Health and Safety representatives in the work force.</b> Report safety issues. Regular safety inspections/audits.  Investment in new, replacement, upgraded equipment.</p> <p><b>Install Security systems.</b> Alarms, fire doors, CCTV etc. Provision of safety <b>equipment</b>, protective clothing and training in same.</p>	3 x 5m (2+3)

- (C) Compare the similarities and differences for businesses and households in relation to taxation. Use any **three** of the following headings to structure your answer: (20)

**Corporation Tax**

**PAYE**

**Capital Gains Tax**

**Local Property Tax (LPT)**

Question		Possible Responses	Max Mark
6	(C)	<p><b>Corporation Tax:</b> Certain business, limited companies, must pay corporation tax to revenue on their profits whereas households do not pay corporation tax.</p> <p><b>PAYE:</b> Households pay PAYE on their income if they are employees or self-employed. The PAYE is collected at source by the employer. Businesses collect and deduct PAYE from the employee's gross wages and send the money to revenue. Businesses, such as limited companies, do not pay PAYE on their profits.</p> <p><b>Capital Gains Tax:</b> Both households and business are liable to pay Capital Gains Tax on any profit made from the sale of the asset. If you make a profit or gain when you dispose of an asset, you pay Capital Gains Tax (CGT) on the chargeable gain. The chargeable gain is usually the difference between the price you paid for the asset and the price you disposed of it for. You can deduct allowable expenses such as the cost of acquiring and disposing of the asset.</p> <p><b>Local Property Tax (LPT)</b> is a self-assessed tax charged on the market value of residential properties in the State. Households pay the LPT but businesses/commercial properties do not.</p>	<p>20</p> <p>7+7+6 (4 + 3) (3 + 3)</p>

### Question 7

- (A) (i) Explain the term **Debt/Equity Ratio**.
- (ii) Calculate the Debt/Equity Ratio for 2021 and 2020. Show your workings.
- (iii) Comment as to whether the Debt/Equity ratio has improved or dis-improved.

(25)

Question			Possible Responses	Max Mark
7	(A)	(i)	Debt/Equity Ratio – it compares the <b>proportion</b> of capital acquired through long-term loans/debt capital with the proportion of capital raised via through retained earnings and issued share capital. It analyses the capital structure of the business.	25
		(ii)	Formula: <b>Debt Capital : Equity Capital</b> (Long-term Loan) : (Issued Share Capital + Reserves)	5m (2+3)
			<p><b>2021</b>    €150,000 <b>②</b>    : €460,000 <b>①</b> + €140,000 <b>①</b></p> <p>             €150,000        : €600,000</p> <p>             0.25            :    1 <b>②</b></p>	3m
			<p><b>2020</b>    € 250,000 <b>②</b>    : €300,000 <b>①</b> + €120,000 <b>①</b></p> <p>             € 250,000        : €420,000</p> <p>             0.6             :    1 <b>②</b></p>	6m
		(iii)	<p>The Debt/Equity Ratio for The Cleaning Crew of 0.25: 1 shows that the business is <b>low geared</b>. <u>The gearing ratio improved from 0.6:1 in 2020 to 0.25:1 in 2021.</u></p> <p>Financial institutions would look favourably on any application for finance as they are in such a good position. This gives the business more freedom as they now have more finance options for expansion available to them.</p>	5m (2+3)

**(B)** Discuss the factors a business should consider when choosing a source of finance.

(20)

Question		Possible Responses	Max Mark
7	(B)	<p><b>Purpose:</b> The business must match the purpose of the finance to the type of finance. Short terms needs such as paying suppliers or paying wages should be financed using a short-term source of finance such as an overdraft.</p> <p><b>Cost:</b> A business must consider the cost (APR) associated with the different finance options. Hire Purchase agreements and Medium-term loans will often have varying levels of interest. Equity capital has no interest costs whereas debt capital does have interest costs.</p> <p><b>Collateral/Security:</b> A business should consider if the source of finance requires security. Long term loans such as debentures will require security. The asset used as security can be repossessed if the business fails to repay the borrowed finance.</p> <p><b>Fixed repayments:</b> Equity capital will not involve fixed repayments. The business will choose whether to pay dividends whereas debt capital will have fixed repayments of the finance borrowed and interest incurred.</p> <p><b>Accessibility/Availability:</b> The business will consider which source of finance is easiest to acquire or widely available. The availability of trade credit and a bank overdraft may differ.</p> <p><b>Tax Implications:</b> The business will consider if this source of finance is tax deductible i.e. will the source of finance help top reduce the amount of tax paid to Revenue. For example, Interest charged on a medium rem loan is tax deductible, whereas dividends paid to shareholders are not.</p>	<p>20</p> <p>4 x 5m (2+3)</p>


(C) Outline the importance of businesses engaging in Market Research. (15 marks)

Question		Possible Responses	Max Mark
7	(C)	<p><b>Establish Size/Potential of Market:</b> Business undertake market research to identify the size of the market and the possible percentage of the market that they could target.</p> <p><b>To identify if there is demand for a product/service:</b> Products can be tested on the market to establish if there is a viable market for this product.</p> <p><b>To set prices:</b> Market research helps to identify costs involved in production, profit margins available and most suitable price to be charged based on target markets ability to pay, willingness to pay, competitors prices etc.</p> <p><b>To identify competitors:</b> Other businesses in the market can be identified through market research. This helps the business make decisions about USP, pricing, promotional strategy etc.</p> <p><b>To access finance:</b> A business who intends to apply for finance from investors, financial institutions or Government agencies must engage in market research to establish viability and profitability potential.</p> <p><b>Identify more opportunities:</b> by engaging with potential customers and monitoring trends, this can help businesses make decisions about future products etc.</p> <p><b>Reduces risk of failure:</b> the greater the market knowledge, the more chance a business will survive. It is imperative that a business consistently engages in market research in order to remain competitive.</p>	<p>15</p> <p>3 x 5m (2+3)</p>

### Question 8

- (A) (i) Explain the term **channel of distribution**.  
(ii) Draft a channel of distribution that Spotlight Oral Care might use.  
(iii) Outline **two** implications of using this channel of distribution.

(25)

Question			Possible Responses	Max Mark
8	(A)	(i)	The channel of distribution refers to <b>how a business/manufacturer gets their product to a consumer</b> .	5m(2+3)
		(ii)	<div style="border: 1px solid black; padding: 10px; text-align: center;"> <p>Channel of Distribution of <b><u>Spotlight</u></b></p> <p>Manufacturer</p>  <p>Retailer (e.g. Boots)</p> <p>Consumer</p> </div>	(3+3)
		(iii)	<p><b>Increased sales/reach a wider audience:</b>  When a business chooses to distribute their product via retailers, the business will reach more potential consumers i.e. put the product in front of a large proportion of their target market.</p> <p><b>Profit margin per unit:</b>  The business would retain more of the selling price if selling direct to consumers e.g. Manufacturer - Consumer. They business must sacrifice not generating as much profit per unit when selling to a retailer. However, in the long term, the use of retailers can increase profitability due to economies of scale.</p> <p><b>Economies of scale:</b>  If a manufacturer uses a retailer who has a large amount of shops nationally, this might lead to economies of scale. Production of the products will have to increase as this in turns leads to bulk buying of raw materials so the cost per unit decreases on each product. This increases profitability and competitiveness.</p>	14m  2 x 7m (4+3)

- (B) Under the product element of the marketing mix, Explain the factors a business must consider when designing a new **or** a revised product.

(15)

Question		Possible Responses	Max Mark
8	(B)	<p><b>Functionality</b> A business must consider how the product will be used. It is must be feasible to produce and for the product to function correctly, with consumers not having difficulty using it. e.g. Functionality was a key factor in the design of the apple iPhone.</p> <p><b>Cost of Production</b> Materials, equipment and labour costs must be considered in the decision when designing a Product. The business must ensure that the cost price of producing each unit allows for adequate profit margins.</p> <p><b>Target Market</b> The needs of the target market are fundamental to the marketing concept. The needs of the target market must be identified and considered when designing a product. The business will consider; Will the product appeal to the target market? Does the deign satisfy the needs and wants of the target market? Is there a market. Are they willing to pay for this product?</p> <p><b>Competitors</b> In all marketing decision, the competition must be a consideration. Is our Product too similar? Do we have a USP? Can our idea be easily copied?</p> <p><b>Legal Requirements</b> Products must satisfy all consumer laws, such as The Sale of Goods &amp; Supply Of Services Act 1980. EU directives and regulations regarding Product safety legislation and packaging must be obeyed.</p> <p><b>Branding</b> Does the product fit with our existing product range and business brand? Will our existing customers purchase this type of product under this brand name?</p>	<p>15 marks</p> <p>3 x 5m (2+3)</p>



(C) Outline your understanding of any **three** of the following types of advertising listed below. Provide an example in each case to support your answer.

1. Persuasive advertising
2. Informative advertising
3. Generic advertising
4. Competitive advertising.

(20)

Question		Possible Responses	Max Mark
8	(C)	<p><b>1. Persuasive advertising:</b></p> <p>This advertising attempts to persuade the consumer that they need the product. Persuasive advertising attempts to convey the message that this product/service will bring value to the consumers life. E.g. L'Oréal try to persuade the consumer they will have healthier/more attractive hair as a result of using their products.</p> <p><b>2. Informative advertising:</b></p> <p>Informative advertising conveys facts or data for the purposes of educating an audience, rather than increasing sales revenue.</p> <p>Examples: <b>Covid-19</b> advertising from the Department of Health</p> <p>In April 2022, Ferrero (<b>Kinder Chocolate</b>) <b>recalled</b> batches of Kinder Surprise 20g and Kinder Surprise 20g x 3, due to the possible presence of Salmonella.</p> <p><b>3. Generic advertising:</b></p> <p>Generic advertising attempts to convey the importance of one particular type of good. This refers to advertising a good/industry/service rather than one particular brand. E.g. The National dairy council advertising the benefits of drinking milk.</p> <p><b>4. Competitive/Comparative advertising:</b></p> <p>The brand or product is advertised as superior to those of other competitors based on the price comparisons, quality of the products etc. Supermarkets will often use print advertising in newspapers to highlight the price difference between their products and those of competitors.</p>	<p>20</p> <p>2 x 7m (4+3)</p> <p>1 x 6m (3+3)</p>