



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 |

LEAVING CERTIFICATE BUSINESS HIGHER LEVEL 2022
MARKING SCHEME

SECTION 1
(40 Marks)

This is a compulsory section.
Answer 4 questions. Each question carries 10 marks.

| Question | Scheme | Marks |
|------------------|-----------------------------------|-----------|
| 1. | 3,2,2,2,1 | 10 |
| 2. | 3,2,2,2,1 | 10 |
| 3. | (a) 4m (2+2) (b) 2 x 3m (2+1) | 10 |
| 4. | 3,2,2,2,1 | 10 |
| 5. | Email 5@1 Rights 3+2 | 10 |
| 6. | (4+3+3) | 10 |
| 7. | 3,2,2,2,1 | 10 |
| 8. | (i) 4m (2+2) (ii) 2 x 3m (2+1) | 10 |
| 9. | (3,3,2,2) | 10 |
| 10. | (3+2) (3+2) | 10 |
| 11. | (3+2) (3+2) | 10 |
| 12. | (4+4+2) | 10 |
| Section 1 | Available Marks | 40 |

SECTION 1
(40 Marks)
SHORT ANSWER QUESTIONS
SUPPORT NOTES

| Question | | | Possible Responses | | | | | Max Mark |
|----------|---|---|--|---|---|------------------|---|-------------------|
| 1. | | | 1 | 2 | 3 | 4 | 5 | 3,2,2,2,1 |
| | | | E | A | D | B | F | |
| | | | | | | | | |
| 2. | | | WTO | | World Trade Organisation | | | 3,2,2,2,1 |
| | | | EMU | | Economic & Monetary Union | | | |
| | | | IDA | | Industrial Development Agency/Authority | | | |
| | | | FDI | | Foreign Direct Investment | | | |
| | | | CAP | | Common Agricultural Policy | | | |
| 3. | a | b | Explain the term Product Life Cycle: The Product Life Cycle are the level of sales a product goes through from inception /introduction to the market to a decline in sales/end of market viability. It tracks the sales growth of the product over a specific time period , which is divided up into 5 sections; introduction, growth, maturity, saturation and decline. | | | | | 10 4m (2+2) |
| | Outline two methods a firm could use to extend a Product Life Cycle. Reduce the Price: A business reduce price to attract more customers. Change Channel of Distribution: Sell online to attract a worldwide audience. Sell via new retailers/platforms. Develop new features: New product features/new image/design/use. Coca Cola have developed new flavours and tweaked the packaging/label on the product. Create line extensions (different flavours/sizes). Promotion: An Advertising campaign/sales promotion technique be used as gimmicks that incentivise the consumer. | | | | | 3m + 3m (2+1) | | |
| 4. | | | Circle the correct option in the case of each of the following statements. i. Maslow ii. Theory Y iii. Social iv. Low v. Self-actualisation | | | | | 3,2,2,2,1 |

| Question | | Possible Responses | Max Mark | | | | |
|--|---|--|-----------------------|---|----------|--------|--------|
| 5. | | Draft an email from Mike Hannon, Sales Manager to all staff at superstore.ie outlining two rights customers have under General Data Protection Regulation (GDPR). | 10 | | | | |
| | | <table><tr><td>Recipients:</td><td>staff@superstore.ie ❶</td></tr><tr><td>Subject:</td><td>GDPR ❶</td></tr></table> | Recipients: | staff@superstore.ie ❶ | Subject: | GDPR ❶ | 5 x 1m |
| | | Recipients: | staff@superstore.ie ❶ | | | | |
| | | Subject: | GDPR ❶ | | | | |
| | | <table><tr><td></td><td>Hi all, ❶ Please be aware of the following rights of all our customers under GDPR: - Customers have the right to request a copy of personal data held. - Customers have the right to question the use of their personal data - Incorrect information must be corrected. - Data must be erased if requested by the customer. - Information must be portable. Regards ❶ Mike Hannon ❶</td></tr></table> | | Hi all, ❶ Please be aware of the following rights of all our customers under GDPR: - Customers have the right to request a copy of personal data held. - Customers have the right to question the use of their personal data - Incorrect information must be corrected. - Data must be erased if requested by the customer. - Information must be portable. Regards ❶ Mike Hannon ❶ | 3m + 2m | | |
| | Hi all, ❶ Please be aware of the following rights of all our customers under GDPR: - Customers have the right to request a copy of personal data held. - Customers have the right to question the use of their personal data - Incorrect information must be corrected. - Data must be erased if requested by the customer. - Information must be portable. Regards ❶ Mike Hannon ❶ | | | | | | |
| <table><tr><td>Send</td><td></td></tr></table> | Send | | | | | | |
| Send | | | | | | | |
| | | | | | | | |

| Question | | | Possible Responses | Max Mark |
|----------|--|--|---|------------------------|
| 6. | | | <p>Explain how the Consumer Price Index works.</p> <p>The Consumer Price Index or CPI measures the overall change in the prices of goods and services that people typically buy over time. It does this by collecting approximately 53,000 prices every month and comparing these to the corresponding prices from the previous month.</p> | <p>10</p> <p>4+3+3</p> |

| Question | | | Possible Responses | Max Mark | |
|----------|--|--|---|-----------|-------|
| 7. | | | Write True or False after each of the following statements. | 3,2,2,2,1 | |
| | | | 1 | | False |
| | | | 2 | | False |
| | | | 3 | | False |
| | | | 4 | | False |
| | | | 5 | | True |

| Question | Possible Responses | Max Mark |
|----------|---|-------------------|
| 8. | Explain the term protectionism. | |
| (i) | Protectionism involves implementing trade barriers to foreign businesses to insulate domestic/home industries and producers from foreign competition. Protectionism involves governments or trading blocs implementing trade barriers to restrict imports. | 4 (2+2) |
| (ii) | <p>Outline two protectionist measures that are used by governments/trading blocs.</p> <p>Quota: is a physical restriction/limit on the number of units of a good that may be imported/exported. Quotas discourage imports and/or encourage sales of domestically produced goods. Example: The EU has placed a quota on the amount of clothes from China that can be imported into the EU.</p> <p>Tariff: this is a tax on the value/price of goods imported. As a result, imports will be more expensive and they will be less competitive on the domestic market. Example: A tax, duty or tariff on New Zealand beef.</p> <p>Embargo: This is a total ban on the import of goods from one particular country. It is often done for political reasons. Example: The American government placed a blanket embargo on the import of UK beef because of the high levels of BSE in the UK.</p> <p>Subsidies: These are grants and payments made by national governments to domestic firms to help them with their day-to-day operating costs allowing them to become more competitive/to give them a price advantage over imports. Example: The EU has subsidised agriculture and aircraft manufacturing in the past protecting them from rival non-EU competition.</p> <p>Administrative regulations: Such as customs delays, excessive paperwork designed to exclude imports.</p> | 6 2x3 (2+1) |

| Question | | Possible Responses | Max Mark | | | | | | | | | | | | | | | | | | | | |
|----------|--|---|------------------|--|----------|--------|-----|------------------------------------|-----------|-----------------|-----|--|---|------------------|-----|-----------------------------|--|-----------------|-----|--|--|-----------------|-------------------|
| 9. | | <p>The following information is supplied by Fleming Ltd.</p> <ul style="list-style-type: none"> • Forecasted Output (Sales) 75,000 units • Fixed Costs €55,000 • Selling price per unit €6 • Variable Costs per unit €2.50 <p>Using the information provided above calculate the following:</p> <table border="1"> <thead> <tr> <th></th><th></th><th>Workings</th><th>Answer</th></tr> </thead> <tbody> <tr> <td>(a)</td><td>Total Revenue at forecasted output</td><td>75000 x 6</td><td>€450,000</td></tr> <tr> <td>(b)</td><td>Total Costs of Production at forecasted output</td><td>Fixed C + Variable Costs 55,000 + (75,000x2.5)</td><td>€ 242,500</td></tr> <tr> <td>(c)</td><td>Profit at forecasted output</td><td>Total Revenue – Total Costs 450,000-242,500</td><td>€207,500</td></tr> <tr> <td>(d)</td><td>Break-even point (BEP) in units (It is not necessary to draw a break-even chart)</td><td>$\frac{FC}{CPU}$ $\frac{55,000}{3.5}$</td><td>15,714.2</td></tr> </tbody> </table> | | | Workings | Answer | (a) | Total Revenue at forecasted output | 75000 x 6 | €450,000 | (b) | Total Costs of Production at forecasted output | Fixed C + Variable Costs 55,000 + (75,000x2.5) | € 242,500 | (c) | Profit at forecasted output | Total Revenue – Total Costs 450,000-242,500 | €207,500 | (d) | Break-even point (BEP) in units (It is not necessary to draw a break-even chart) | $\frac{FC}{CPU}$ $\frac{55,000}{3.5}$ | 15,714.2 | 10 3,3,2,2 |
| | | Workings | Answer | | | | | | | | | | | | | | | | | | | | |
| (a) | Total Revenue at forecasted output | 75000 x 6 | €450,000 | | | | | | | | | | | | | | | | | | | | |
| (b) | Total Costs of Production at forecasted output | Fixed C + Variable Costs 55,000 + (75,000x2.5) | € 242,500 | | | | | | | | | | | | | | | | | | | | |
| (c) | Profit at forecasted output | Total Revenue – Total Costs 450,000-242,500 | €207,500 | | | | | | | | | | | | | | | | | | | | |
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| Question | | Possible Responses | Max Mark |
|----------|--|---|--|
| 10. | | <p>Distinguish between visible imports and import substitution. Provide examples to support your answer.</p> <p>Visible imports are physical goods that are purchased by Irish consumers or Irish businesses from internationally based (foreign based) producers. E.g. Coffee imported to Ireland from Brazil whereas</p> <p>Import substitution refers to a domestic producer starting to produce a product that was previously imported from a foreign producer. E.g. An Irish company starting to grow a type of potatoes that was previously imported.</p> | 10 (3+2) (3+2) |

| Question | | Possible Responses | Max Mark |
|----------|--|--|----------------------------------|
| 11. | | <p>Outline two ways to minimise bad debts for a business.</p> <p>Check credit worthiness of all Debtors:</p> <p>Before dealing with new customers, businesses should be prudent and check on their previous history,</p> <p>e.g. asking for bank references, trade references, credit bureau, credit ratings, etc.</p> <p>Set appropriate credit limits and credit periods/Draw up clear terms and conditions:</p> <p>Controlling the amount of credit and ensuring that payments are made on time e.g. a credit limit of €5,000 and a time limit of one month for any payment.</p> <p>Policy for late payments/partial payments</p> <p>A business should agree with customers in advance on penalties for late payments, e.g. charging interest on overdue accounts. This will incentivise customers to pay up on time.</p> <p>Administration/ Clear communication channels:</p> <p>Have an efficient administrative system where invoicing, payment demands and follow up phone calls and visits occur promptly to ensure payment. Having reminders set to inform customers approaching the end of their credit period/limit.</p> | <p>10</p> <p>5+5 (3 + 2)</p> |

| Question | Possible Responses | Max Mark | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------|---|----------|--------|---|---|-----------|--|--|--------|------------|--|--|--|------|-------|--|--|--|-------|--------|--|-------------|------|--|--|--|------|--------|--|----------|--|--------|--|---------|
| 12. | <p>Name: Kellie Murphy</p> <table><tr><td></td><td></td><td>€</td><td>€</td></tr><tr><td>Gross Pay</td><td></td><td></td><td>42,600</td></tr><tr><td>Deductions</td><td></td><td></td><td></td></tr><tr><td>PAYE</td><td>7,360</td><td></td><td></td></tr><tr><td></td><td>2,320</td><td>9680 ④</td><td></td></tr><tr><td>Tax credits</td><td>1700</td><td></td><td></td></tr><tr><td></td><td>1700</td><td>3400 ④</td><td></td></tr><tr><td>PAYE due</td><td></td><td>6280 ②</td><td></td></tr></table> <p><u>Workings/Breakdown of marks</u></p> <p>Gross PAYE</p> <p>36,800 x0.20 = 7,360 ①</p> <p>Balance = (42,600-36,800) = 5,800 ①</p> <p>5,800x0.40 = 2,320 ①</p> <p>TOTAL GROSS PAYE = 9,680 ①</p> <p>Tax Credits</p> <p>1700+1700 = 3,400 ④</p> <p>Award 2 marks if a candidate just uses '1700'</p> <p>PAYE Due</p> <p>9,680 – 3400 = €6280 ②</p> <p>4 marks</p> <p>Own figures shaded</p> <p>4 marks</p> <p>2 marks</p> | | | € | € | Gross Pay | | | 42,600 | Deductions | | | | PAYE | 7,360 | | | | 2,320 | 9680 ④ | | Tax credits | 1700 | | | | 1700 | 3400 ④ | | PAYE due | | 6280 ② | | (4,4,2) |
| | | € | € | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Gross Pay | | | 42,600 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Deductions | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PAYE | 7,360 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 2,320 | 9680 ④ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Tax credits | 1700 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1700 | 3400 ④ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PAYE due | | 6280 ② | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |