



### WARNING

This question paper **MUST** be returned with your answer book at the end of the examination, otherwise marks will be lost.

Name:
School:
Address:
Class:
Teacher:

## Pre-Leaving Certificate Examination, 2022

### Business – Higher Level (Option A)

(400 marks)

#### CANDIDATES ARE REQUIRED TO ANSWER:

- (A) **Eight** questions from **SECTION 1**  
**AND**  
(B) **The Applied Business Question** in **SECTION 2**  
**AND**  
(C) **Four** questions from **SECTION 3** as follows:  
**One** question from **Part 1**,  
**One** question from **Part 2**  
and **Two** other questions from either **Part 1** or **Part 2**.  
All questions carry equal marks.

Please note the allocation of marks per question.

Calculators may be used.

Make and Model of calculator used:

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Q.	Mark
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
Total	

REMEMBER TO RETURN THIS QUESTION PAPER WITH THE ANSWER BOOK YOU  
USE FOR ANSWERING SECTIONS 2 AND 3

**Section 1****Short Answer Questions****80 marks**

This section is compulsory. Answer eight questions. Each question carries 10 marks. Remember to return this question paper with your answer book.

1. **Column 1** is a list of business terms.  
**Column 2** is a list of possible explanations for these terms.  
(One explanation does not refer to any of these terms.)

Column 1: Terms	Column 2: Explanations
1. Prototype Development	<b>A</b> Brainstorming is one of the methods used.
2. Product Launch	<b>B</b> Unworkable ideas are dropped.
3. Feasibility Studies	<b>C</b> Full-scale planned effort to bring a new product to market.
4. Idea Generation	<b>D</b> It involves developing a sample or 'mock-up' of a product.
5. Test Marketing	<b>E</b> Is carried out to assess if a product has profit potential.
	<b>F</b> Product is introduced to a small section of the market to evaluate customer reactions.

Match the two lists by placing the letter of the correct explanation under the relevant number below.

1	2	3	4	5

2. Circle the **correct option** in the case of each of the following statements.
- (i) The Consumer Price Index measures **inflation rate / interest rate** in Ireland.
  - (ii) An embargo is a **tax / ban** on specified or all goods from particular countries.
  - (iii) McGregor's Theory Y managers are **autocratic / democratic** in their approach.
  - (iv) A merger is an example of **inorganic / organic** growth of a business.
  - (v) The reward for businesses in the investing of capital is **interest / profits**.

3. In the context of business, what do the following letters stand for?  
Write each answer in the space provided.

EMU	
IBEC	
USC	
SME	
TQM	

4. Write **TRUE** or **FALSE** after **each** of the following statements.

	Statements	True or False
1	Economies of scale increase costs when a business buys large quantities of raw materials in bulk at a discount.	
2	A 'directive' is a law applicable to the EU member states with immediate effect.	
3	A private limited company is a business organisation owned by between 1 and 109 shareholders.	
4	A certificate of incorporation allows a business to trade as a legal entity.	
5	An indigenous firm is a business set up abroad and which is owned and managed by foreign firms.	

5. Outline **two** challenges facing business start-ups.

1.	
2.	

6. Discuss **two** ways the Government could encourage business activity in Ireland.

1.
2.

7. (i) Explain the term **global business**.


- (ii) State **two** examples of global businesses.

1.
2.

8. (i) Mary Buckley owned a house worth €350,000, and had insured it for €300,000 when a fire caused a partial loss of €63,000. Calculate the amount the insurance company will pay. (Show your workings.)

**Workings**

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- (ii) Name the insurance formula associated with (i) above when an item is insured for less than its market value.

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9. Explain the term **Electronic Data Interchange (EDI)**.


10. Outline your understanding of **VAT** and **Corporation Tax**.

VAT:
Corporation Tax:

11. (i) Complete the missing figures in the three blank areas of the table below.

Visible Exports (€bn)	Visible Imports (€bn)	Balance of Trade (€bn)
€70	€105	(a)
€90	(b)	€25 surplus
(c)	€110	€30 deficit

- (ii) Explain the term **invisible exports** and provide **one** example with reference to the Irish economy.


12. Describe **two** functions of the Workplace Relations Commission (WRC).

1.
2.

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FOR ANSWERING SECTIONS 2 AND 3

This is a compulsory 80 mark question based on Units 4, 5 and 6.

### E-FUTURE HOMES LTD

E-Future Homes Ltd is an indigenous company, operating in the Smart Home technology sector. It was founded by Ann Keane in 2011. Ann is a Business Information Systems graduate and a software engineer. Her design team recently identified some ideas for new developments in Smart Home technology with Quick Response (QR) tech.

Mark Horgan, the Human Resource manager, has played a central role in the steady growth of E-Future Homes Ltd. He continues to effectively manage employee numbers. For the planned opening of the new store in Dublin, Mark advertised job opportunities on the company's website and included an online application form. With increasing competition in the market coupled with pandemic times, Ann and Mark recognise the necessity to invest in staff training. A comprehensive induction programme is provided throughout the company, and personnel from the Human Resource department meet employees annually to review their progress. Employees at E-Future Homes Ltd are well-rewarded, and there are opportunities for promotion for those who achieve their sales targets.



Ann is concerned that the business may lose market share because of increased competition from rival tech multiples. She has begun visiting the company's stores unannounced to monitor sales, employee behaviour and customer trends. In addition, the marketing department is carrying out regular consumer surveys. Tech companies' websites and social media presence are closely monitored. The company's daily sales records and data from the Central Statistics Office (CSO) on market size and consumer expenditure patterns are continually analysed. Ann believes that a renewed emphasis on its unique selling point (USP) of easy app control and Quick Response (QR) smart technology, targeted at the middle and upper class consumer, will position E-Future Homes Ltd as the market leader. With this in mind, the business has updated its slogan to 'Be Smart about your home', which it will use for its advertising campaign in the European market.

Social responsibility is a key element in E-Future Homes' corporate business plan. Funding was invested in supporting the development of a highly skilled customer service department. E-Future Homes Ltd attracts and retains high-quality, creative employees. A major European venture capital firm has invested €3.5 million in the company to date. E-Future Homes Ltd maintains good relationships with its suppliers, many of whom have continued a business relationship with the company since its establishment. Ann continues to strive for improvement in all her business dealings and makes sure that the company is very environmentally conscious.

- (A) Evaluate the effectiveness of the Human Resource department at E-Future Homes Ltd. (30)
- (B) (i) Explain the term **market research**.  
(ii) Analyse how desk and field research can contribute to the continued success of E-Future Homes Ltd. (30)
- (C) Discuss the social responsibilities of E-Future Homes Ltd to its stakeholders. (20)

## Section 3

240 marks

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

**One** question from **Part 1**

**One** question from **Part 2**

and **Two** other questions from either **Part 1** or **Part 2**.

**All questions carry equal marks.**

### Part 1 People in Business / Business Environment

#### Question 1

#### People in Business

- (A) (i) Discuss the rights of consumers under the terms of the Sale of Goods and Supply of Services Act 1980.
- (ii) Illustrate **two** forms of redress available to consumers for breach of the Act. (30)
- (B) Outline **three** remedies for breach of contract. (20)
- (C) Describe how conflict between an employer and an employee could be resolved in a non-legislative manner. (10)

#### Question 2

#### Domestic Environment

‘The COVID-19 Pandemic has severely affected the Irish employment rate.’

Source: [www.journal.ie](http://www.journal.ie)

- (A) Discuss the effects of increasing unemployment on the Irish economy. (20)
- (B) Evaluate, using examples, the arguments in favour of **OR** against the privatisation of commercial state enterprises in Ireland. (20)
- (C) (i) Define the term **business ethics**.
- (ii) Outline how ethical behaviour in business can be encouraged. (20)



### Question 3

### International Environment

‘Technological advances continues to drive growth globally’.

*Source: The Irish Examiner, June 2021*

- (A) Outline **four** developments in technology that have facilitated the growth in globalisation. (20)
- (B) Illustrate how foreign transnationals (i.e. foreign direct investment (FDI) companies) have impacted on the Irish economy. (20)
- (C) Should Ireland leave the European Union? Outline reasons for your answer.



(20)

### Question 4

### People in Business

- (A) (i) Outline **two** reasons for fair dismissal, as set out under the Unfair Dismissals Acts 1977-2015.  
(ii) Explain the term **constructive dismissal**, providing an example to support your answer. (20)
- (B) Explain the following terms:  
(i) Shop steward  
(ii) A secret ballot  
(iii) Secondary picketing  
(iv) Interest group. (20)
- (C) Identify **three** benefits of trade union membership for an employee. (20)



(20)

## Part 2 Enterprise

### Question 5

### Enterprise/Managing

Read the information supplied and answer the questions which follow.

#### Staples Ltd Stationery

In 2018, friends Enda Carroll and Stephen O' Sullivan founded Staples Ltd. They were both highly motivated, especially after the positive feedback they received from the Dublin Business Association. One of their next objectives is that they should conduct a SWOT analysis. They now employ 10 workers and firmly believe in a democratic style of leadership.



- (A) Outline the benefits to Staples Ltd of adopting a democratic leadership style. (15)
- (B) (i) What is meant by the term SWOT analysis?
- (ii) The company's directors believe in the theory of motivation identified in Maslow's Hierarchy of Needs.  
Explain, with the aid of a diagram, Maslow's theory. (20)
- (C) Analyse the contribution that **strategic** and **tactical** planning can make to the successful management of a business. Use examples in your answer. (25)

Avril Murphy is an employee at ICON Ltd and earns a gross annual salary of €64,000. Her employer provides her with a holiday voucher worth €6,000.

This is treated as a benefit in kind for tax purposes and is taxed accordingly. The standard rate band for a single taxpayer is €32,800. (This means that the first €32,800 is taxed at the 20% standard tax rate, and the remainder is taxed at the higher tax rate of 40%).

Avril has the following tax credits: Single Person Tax Credit €1,650, PAYE Tax Credit €1,650 and Rent Tax Credit €320.

The Universal Social Charge (USC) rates on Avril's gross income are 1.5% on the first €12,012, 2% on the next €5,980 and 5% on the balance of her gross income.

Avril pays employee PRSI at 4% of her gross income.



- (A) Calculate Avril Murphy's net monthly take-home pay. (20)
- (B) (i) Outline **two** reasons why a household should prepare a cash flow forecast.  
(ii) Illustrate how a household can overcome cash flow problems. (20)
- (C) Describe **two** strategies that a business organisation can use to manage change. Use examples to support your answer. (20)

**Question 7****Managing/Business in Action**

(A) Read the information supplied and answer the questions which follow.

**PRIVATE MOTOR INSURANCE PROPOSAL FORM DECLARATION**

I/We declare to the best of my/our knowledge and belief that the information given on this form is true and complete in every respect.

- (i) Outline the function of an **insurance proposal form**.
- (ii) Explain the principle of insurance, referred to in the extract from the above private motor insurance proposal form.
- (iii) Outline **two** other principles of insurance that apply to insurance contracts. (20)

- (B) (i) Explain what a **business plan** is.
- (ii) Outline **two** benefits to a manufacturing company of preparing a business plan. (20)

- (C) Illustrate the difference between a **merger** and a **takeover** as methods of business expansion. (20)

**Question 8****Business in Action**

- (A) Outline the factors a business should consider when choosing a suitable Channel of Distribution. Provide examples to illustrate your answer.

(20)

- (B) Within the product element of the marketing mix, evaluate **product design** and **product packaging**.

(20)

- (C) (i) Explain the term **Public Relations (PR)**.

- (ii) Discuss methods a business could consider to generate good Public Relations.

(20)



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