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WARNING

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

Name:
School:
Address:
Class:
Teacher:

Pre-Leaving Certificate Examination, 2022

Business – Ordinary Level (Option A)

(400 marks)

2½ HOURS

ANSWER

(A) Ten questions from **SECTION 1**

AND

(B) Four questions from **SECTION 2** as follows:

One question from **Part 1** and

One question from **Part 2** and

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

All questions carry equal marks.

Calculators may be used.

Make and Model of Calculator Used:

Q.	Mark
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
Total	

**REMEMBER TO RETURN THIS QUESTION PAPER WITH THE ANSWER BOOK YOU USE
FOR ANSWERING SECTION 2**

Section 1**Short Answer Questions****100 marks**

**Answer 10 questions. Each question carries 10 marks.
Please return this question paper with your answer book.**

1. What do the following letters stand for? Write each answer in the space provided.

VAT	
AGM	
DIRT	

2. Name the **three** management skills.

1.
2.
3.

3. State **two** benefits to a business of having highly motivated employees.

1.
2.

4. Explain the term **stakeholder** and give **two** examples of stakeholders in a business.

5. List **two** grounds on which discrimination is outlawed under the Employment Equality Act 1998-2015.

1.
2.

6. The following information is available from the final accounts of Acorn Ltd on 31/12/2021:
Calculate the Net Profit Margin. **(Show your workings.)**

Net Profit €110,000
Sales €880,000

Net Profit Margin

Answer: _____ %

Formula:	Workings:

7. List **two** grounds under the Law of Contract where a person has the capacity to contract (i.e. to enter into a legal contract).

1.
2.

8. Write the word **TRUE** or **FALSE** after each of the following statements:

	Statement	True or False
(i)	Indemnity is a principle of insurance.	
(ii)	Corporation Tax is a tax paid on the profits made by a company.	
(iii)	CCPC stands for Competition and Consumer Protection Commission.	
(iv)	A matrix structure divides a business into different geographic locations.	
(v)	Brainstorming is an idea-generating technique.	

9. Calculate Taylor Hennessy's net annual take-home pay from the following details. Show your workings in the spaces provided.

Name: Taylor Hennessy			
Gross Pay			€70,000
Deductions			
PAYE (20% of €34,550) (40% of €35,450) - Tax Credits	6,910 <hr/> 14,180 21,090	21,090 -4,200	
Net PAYE		16,890	
PRSI (4% of €70,000)	(i)		
USC (3% of €70,000)	(ii)		
Total Deductions			(iii)
Net Annual Take Home Pay			(iv)

10. Explain **Breach of Contract**:

11. Circle the **correct option** in **each** of the following statements.

- (i) A bad debt occurs when a customer **pays** / **fails to pay** what it owes.
- (ii) McGregor Motivational Theory Y managers are **democratic** / **autocratic**.
- (iii) Lower interest rates mean the cost of borrowing is **cheaper** / **more expensive**.
- (iv) DD in banking refers to **Direct Debit** / **Direct Delay**.

12. Complete the table below, linking the European institutions listed with their function.

EUROPEAN PARLIAMENT

EUROPEAN COMMISSION

EUROPEAN COURT OF AUDITORS

FUNCTION	Drafts all European laws	Ensures the EU Budget is spent correctly	Represents all EU citizens and debates all EU laws
INSTITUTION			

13. Column 1 is a list of business terms. Column 2 is a list of explanations for these terms.
One explanation has no match.

Column 1: Business Terms		Explanations	
1	Strategic Plan	A	A back-up plan to cover unforeseen events.
2	Mission Statement	B	A specific plan to be achieved in a relatively short term.
3	Contingency Plan	C	A plan to ensure the business has the right number of employees with the right skills at the right time.
4	Manpower Plan	D	The overall business aim to be achieved in a relatively short term.
5	Tactical Plan	E	A medium-term financial plan to deal with budgetary problems.
		F	A long-term plan providing a focus for the whole business.

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

1.	2.	3.	4.	5.

14. Choose the appropriate words to complete the sentence. (One word does not apply.)

Standardised Strategic Single

Global businesses view the world as one _____ market and use a
global or adapted marketing mix to sell a _____ product.

15. List the **three** other elements of the **Marketing Mix**.

PRICE			
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Section 2

300 marks

Answer **four** questions from SECTION 2 as follows:

One question from **Part 1** and

One question from **Part 2** AND

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

Part 1

Question 1

People in Business

Read the information supplied and answer the questions which follow.

NEXT HOME SALE

next

Orla purchased her sister's wedding present in the Next Home sale. She got a great discount on a new leather sofa. After the wedding, when her sister opened the present, she realised that there were two tears on the side of the sofa. Orla wasn't sure whether she was entitled to a remedy because she had purchased the sofa in a sale. Orla looked up her consumer rights on ccpc.ie and she saw that she had exactly the same rights and protections as a person who had purchased the product at full price.

- (A) Name the law that protects Orla in this situation. (10)
- (B) Explain **two** legal rights of the consumer under this law. (10)
- (C) Outline **two** forms of remedy/redress that Orla is entitled to in the above case. (15)

Members of SIPTU trade union vote for Industrial action at Dublin Port.



- (D) Outline **three** benefits of being a member of a trade union. (20)
- (E) Outline **two** effects of industrial disputes. (10)
- (F) Outline **two** functions of a shop steward. (10)

Question 2**Domestic Environment**

Read the information supplied and answer the questions which follow.



Google, Twitter, Apple and many other large organisations in the tertiary (services) sector have set up European headquarters in Ireland. IDA Ireland is the state agency responsible for attracting Multinational Companies (MNCs) to Ireland.

- (A) Name the **two** other sectors/categories of industry and state **one** example of each. (15)
- (B) List the **four** factors of production and explain **one** of them. (15)
- (C) Outline **three** reasons why multinational companies (MNCs) locate in Ireland. (20)
- (D) Explain **one** service provided by IDA Ireland to foreign MNCs. (10)
- (E) Outline **two** benefits MNCs bring to the Irish economy. (15)

Question 3**Domestic/International Environment**

Read the information supplied and answer the questions which follow.

'Brexit' has caused serious harm already in the European Union member states. More than €1.4 billion of goods and services are traded between the UK and Ireland every week. Negotiations have been ongoing with both governments to allow free trade among them, but Brexit could still result in trade barriers such as tariffs being imposed.



- (A) **Apart** from Ireland and the UK, name **three** member states in the EU. (10)
- (B)
 - (i) Explain the term **tariff**.
 - (ii) Name **two** other trade barriers. (15)
- (C)
 - (i) Outline **two** advantages for Ireland of membership of the EU.
 - (ii) Outline **one** disadvantage for Ireland of membership of the EU. (20)
- (D)
 - (i) Explain the term **Global Business**.
 - (ii) Name **two** Global Businesses. (20)
- (E) Outline **two** challenges for Irish businesses operating in international markets. (10)

Question 4**International Environment**

Read the information supplied and answer the questions which follow.



Ireland's Trade in Goods 2020			
Exports		Imports	
United Kingdom	€12 bn	United Kingdom	€10 bn
United States	€41 bn	United States	€18 bn
Rest of the World	€80 bn	Rest of the World	€75 bn

- (A) Outline **two** reasons why Ireland exports goods and services. (20)
- (B) (i) Calculate the total visible exports for Ireland in 2020. Show your workings.
(ii) Calculate the total visible imports for Ireland in 2020. Show your workings. (10)
- (C) (i) Calculate the Balance of Trade for Ireland in 2020. Show your workings.
(ii) State whether it is a surplus or deficit. (15)
- (D) Explain **two** benefits that Irish consumers receive from international trade. (20)
- (E) Explain how the Irish Government benefits from Irish businesses engaging in international trade. (10)

Part 2

Question 5

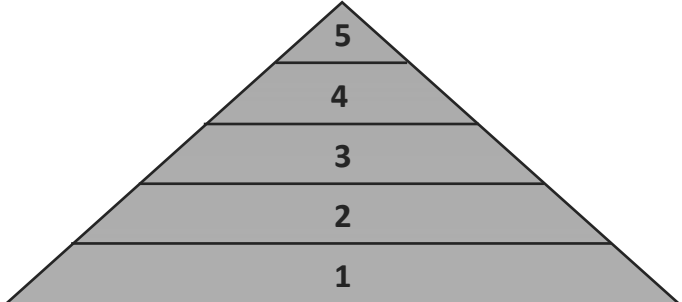
Managing/Business in Action

Read the information supplied and answer the questions which follow.

Stripe, the fast-growing online payments business, was established by Limerick brothers Patrick and John Collison when they were aged just 22 and 19. Stripe enables websites to accept credit and debit card payments. The brothers were determined to succeed and were willing to take risks. It employs over 600 people globally and is worth more than \$9bn. The brothers always believed in a democratic style of leadership.



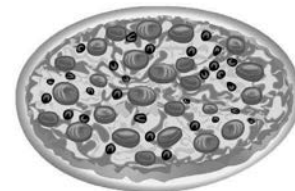
Source: Adapted from the Irish Times

- (A) Outline **three** entrepreneurial characteristics/skills displayed by the Collison brothers.
(Refer to the text in your answer.) (15)
- (B) Outline **two** methods of communication, other than meetings, that the brothers could use to communicate with their staff. (15)
- (C) Outline **two** features of a democratic leadership approach. (15)
- (D) (i) In your answer book,
Identify the needs numbered
1 to 5 from the following list:
Social needs;
Basic/Physical needs;
Self-Actualisation needs;
Esteem needs;
Security/Safety needs.
- 
- Write your answers in your
answer book as follows: 1 = , 2 = etc.
- (ii) Outline, using examples, how a manager can satisfy the social needs of his/her employees. (20)
- (E) Explain **two** reasons why stock control is very important for a food business. (10)

Question 6**Managing**

Read the information supplied and answer the questions which follow.

Nemo's Pizza Ltd is a very successful restaurant located in Co. Waterford employing both full-time and part-time staff. Based on their Trading, Profit and Loss Account and Balance Sheet for the year ending 2020, the owners have decided to expand the business. There is cash available in the company's current account. However, the business will require a medium-term source of finance for new kitchen equipment. The restaurant owners have completed a cashflow forecast.


Cashflow forecast of Nemo's Pizza Ltd for the first 3 months of 2021

2021	January	February	March	Total
	€	€	€	€
Total Receipts (A)	23,000	30,000	24,000	77,000
Total Payments (B)	31,000	25,000	22,000	78,000
Net Cash (A-B)	-8,000	5,000	2,000	-1,000
Opening Cash	7,000	-1,000	4,000	7,000
Closing Cash	-1,000	4,000	6,000	6,000

- (A) Name **one** item which Nemo's Pizza Ltd might include under **each** of the following:
- (i) Receipts section
 - (ii) Payments section. (10)
- (B) (i) Does Nemo's Pizza Ltd have a better cashflow position in January or March?
- (ii) Outline **two** possible reasons for your answer. (20)
- (C) (i) Name a suitable medium-term source of finance Nemo's Pizza Ltd might use for the new kitchen equipment.
- (ii) Outline **two** benefits of the source of finance you have chosen. (20)
- (D) Explain the term **current account**. (10)
- (E) Outline **three** types of insurance Nemo's Pizza Ltd should have. (15)

Read the information supplied and answer the questions which follow.

Joe's Pancakes & Frappes

Joe had many years of experience working as a chef in breakfast food restaurants while he lived in America. He noticed how popular food trailers had become when attending various music festivals abroad and particularly since the pandemic hit. Joe conducted market research and decided to open his own food trailer selling US-style pancakes and delicious fruit-based frappes. He purchased a jeep and a food trailer. The brand name, Joe's Pancakes & Frappes, now has an excellent reputation for high-quality, affordable food. Joe communicates his sales promotions through social media such as Snapchat and Twitter.



- (A) Explain **three** sources of new product/service ideas for a business. (15)
- (B) Outline **two** reasons why a business would carry out market research. (15)
- (C) Outline **two** factors that Joe should consider when setting prices for his products. (10)
- (D) (i) List **two** examples of well-known brand names.
(ii) Outline **two** benefits of a brand name for a business. (20)
- (E) Describe **two** sales promotions that Joe's Pancakes & Frappes could offer consumers to increase sales. (15)

Question 8**Business in Action**

Read the information supplied and answer the questions which follow

Tom Donegan, an IT software engineer, is considering setting up his own IT business. He has no business experience, so he approached his friend, Rebecca O'Mahony, a business graduate, for advice on a business start-up. He wants to find out what finance options he has, what type of production process he should use and what organisation structure would be most suitable. He also wants to decide on a target market.



- (A) Outline **two** reasons why a business plan should be prepared. (10)
- (B) Explain **three** factors Tom should consider before choosing a source of finance. (15)
- (C) Explain the following production options and give **one** example in each case.
(i) Job Production
(ii) Batch Production. (15)
- (D) Outline **two** risks and **two** rewards of setting up a Sole Trader business. (20)
- (E) (i) Explain the term **target market**.
(ii) Explain the term **USP**. (15)

Read the information supplied and answer the questions which follow.

BRACKENS LTD

Brackens Ltd, based in Cork since 2010, is a large manufacturer of chocolate and confectionary. The company is continuously researching the market to ensure it maintains its market position for its brand. It is looking closely at the online market to sell its products.



- (A) Explain **field research** and **desk research** and give **one** example in each case. (20)
- (B) (i) Explain what is meant by the term **channels of distribution**.
(ii) Illustrate, using a diagram, a suitable channel of distribution for Brackens Ltd. (15)
- (C) Explain the term **market segmentation**. (10)
- (D) Outline **one advantage** of online selling for
(i) The Business
(ii) The consumer (15)
- (E) Apart from online selling, outline **two ways** in which developments in ICT (Information and Communications Technology) impact on a business. (15)

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