



Coimisiún na Scrúduithe Stáit
State Examinations Commission

Leaving Certificate Examination 2020

Business

Section 1 and Answerbook

Ordinary Level

2 hours 30 minutes

400 marks

Examination Number

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Day and Month of Birth

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For example, 3rd February
is entered as 0302

Centre Stamp

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Instructions

Write your Examination Number and your Day and Month of Birth in the boxes on the front cover.

Write your answers to all parts of the examination into this Answerbook. This Answerbook will be scanned and your work will be presented to an examiner on screen. Anything that you write outside of the answer areas may not be seen by the examiner.

Write your answers in blue or black pen. You may use pencil for sketches, graphs and diagrams only.

There are two sections in this examination. Questions for **Section 2** are supplied separately but your answers must be written in this Answerbook.

Candidates are required to answer:

(A) Ten questions from Section 1

and

(B) Four questions from Section 2 as follows:

One question from Part 1

Two questions from Part 2 and

One other question from either Part 1 or Part 2.

All questions in this section carry equal marks.

Make and Model of calculator used:

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

Answer 10 questions. Each question carries 10 marks.

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

SWOT	
CEO	
PLC	

2. Identify the **production option** most appropriate to each of the products shown below.

		
(i)	(ii)	(iii)

3. Explain the difference between an Entrepreneur and an Intrapreneur.

An Entrepreneur is	
An Intrapreneur is	

4. Complete the table below, linking the European Union 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			

5. Indicate whether each of the following is an example of Desk Research or Field Research by writing **Desk** or **Field** after each of the following statements.

		Type of Research (Desk or Field)
	Conducting a focus group where a group of consumers is brought together to discuss a product.	
	Observing consumer behaviour in a marketplace.	
	Researching magazines and newspapers.	
	Conducting a survey where a business interviews a consumer directly.	
	Collecting information from Government publications such as those prepared by the Central Statistics Office (CSO).	

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

- (i) Inflation refers to **an increase / a decrease** in the general level of prices from one year to the next.
- (ii) A rise in the employment rate results in **an increase / a decrease** in income tax received by the government.
- (iii) Lower interest rates mean the cost of borrowing is **cheaper / more expensive**.
- (iv) If the euro (€) increases in value relative to the US Dollar (\$), Irish products become **cheaper / more expensive** in the USA.

7. Indicate by placing a tick (✓) in the correct box, the pricing strategy to which each statement relates.

Statement	Premium Pricing	Price Skimming	Discriminatory Pricing	Loss Leader
Rolex charges a high price for its watches to portray an image of high quality.				
Lidl sells a litre of milk to consumers for €0.60 but purchased it from its suppliers for €0.65.				
Spotify offers students 50% off its premium package.				
Apple charges a high price at the launch stage of new iPhones and reduces the price over time.				

8. Choose the appropriate terms to complete the sentence below. (Two terms do not apply.)

Strategic Alliance

Merger

Co-operative

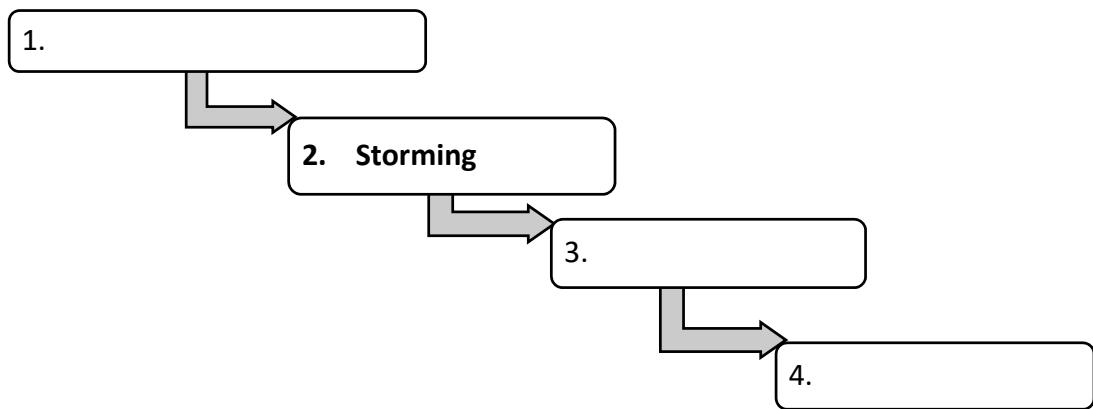
Takeover

A _____ is when one company takes control of another by buying more than 50% of its shares, while a _____ is when two separate businesses voluntarily agree to join together permanently to form a new business.

9. Explain the following barriers to trade.

(i) Tariff:
(ii) Quota:

10. Complete the stages in the formation of a Team:



11. Fill in the four missing values labelled **A**, **B**, **C**, and **D** in the table below to calculate Paul Costigan's net annual take home pay. Show your workings in the space provided.

Name: Paul Costigan		€	€
Gross Pay			60,000
Deductions			
PAYE: (20% of €35,300)	7,060		
(40% of €24,700)	9,880		
	16,940	16,940	
Tax Credits		- 3,300	
Net PAYE		13,640	
PRSI (4% of Gross Pay)		A	
USC (3% of Gross Pay)		B	
Total Deductions			C
Net Annual Take Home Pay			D

Workings:

- 12.** Write the word **TRUE** or **FALSE** after each of the following statements.

	True or False
A strategic plan is a long-term plan for a business.	
A mission statement sets out the overall purpose of the business.	
A functional structure divides a business into different geographic locations.	
A matrix structure is a team-based structure.	

- 13.** Name a state agency involved in each of the following sectors.

Sectors	Transport	Communications	Industrial Relations
State Agency			

- 14.** The development of a new product/service normally involves seven stages.

Three of these stages have been entered in the table below. The remaining stages are:

Prototype Development Idea Generation Launch Concept Development

Enter the **four** stages above in the correct order in the table below.

Stages in new product/service development	
1.	
2.	Product/service Screening
3.	
4.	Feasibility Study
5.	
6.	Test Marketing
7.	

15. In the following table, Column 1 is a list of business terms and Column 2 is a list of explanations.

Column 1: Business Terms	Column 2: Explanations
1. Capacity to contract	A Each party in a contract must give something of value to the other party.
2. Consent to contract	B There is clear and unconditional acceptance of an offer.
3. Consideration	C Both parties enter into the contract of their own free will.
4. Agreement	D Some contracts must be in writing in order to be legally valid.
5. Legality of form	E Both parties intend to enter into the contract and complete it.
	F Both parties can legally enter into a contract.

Match the two lists by placing the letter of the correct explanation under the number of the relevant business term below. One explanation has no match.

Business Term	1	2	3	4	5
Explanation					

Answerbook for Section 2

Instructions

Questions for **Section 2** are supplied separately.

Start each question on a new page. Write the question number in the box at the top of each page.

Use the left-hand column to label each part, as shown below.

Part <i>Cuid</i>	Question <i>Ceist</i>	0 4	Start each question on a new page <i>Cuir túis le gach ceist ar leathanach nua</i>
(a)			
(b)(i)			
(b)(ii)			

Two pages of graph paper are provided at the back of this Answerbook. On pages with graph paper, the box for the question number is at the bottom of the page.

You do not need to use all of the pages in this Answerbook. If you run out of space in this Answerbook, you may ask the superintendent for more paper or graph paper.

Write your answers in blue or black pen. You may use pencil for sketches, graphs and diagrams only.

Question



Part

Start each question on a new page

Question

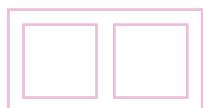


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Question



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Part

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Question



Part

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Question



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Question



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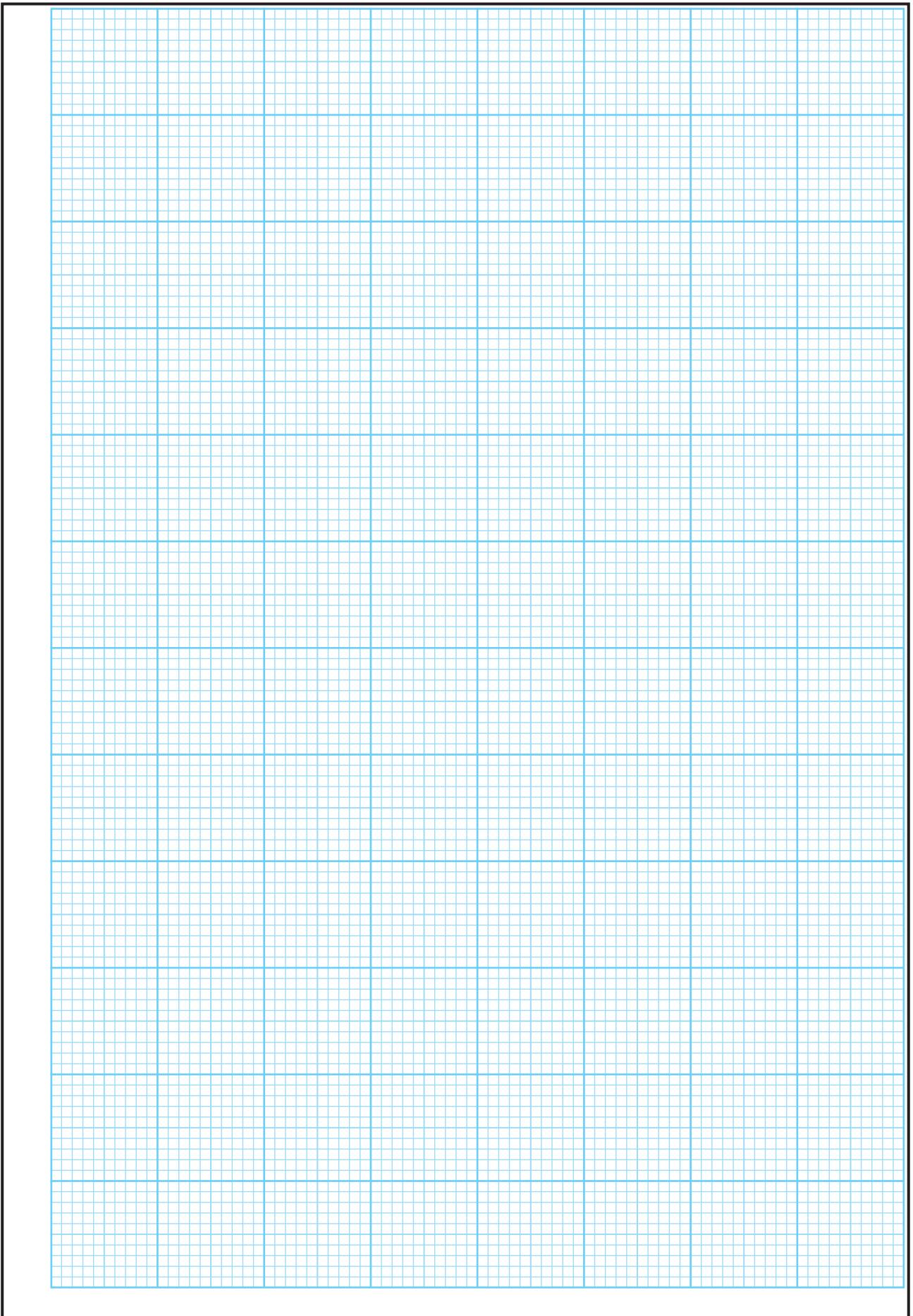
Question



Part

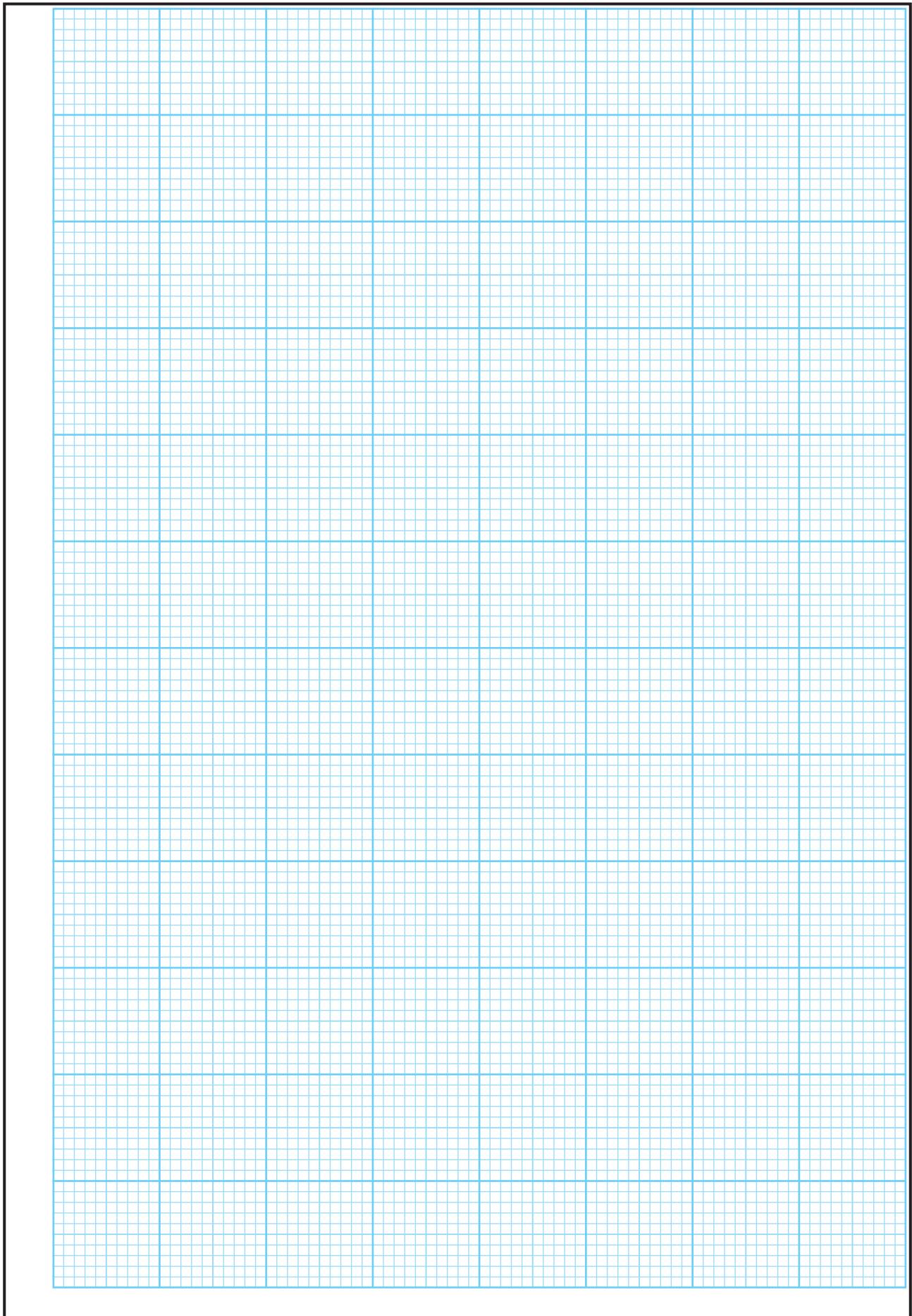
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Leaving Certificate – Ordinary Level

Business Section 1 and Answerbook



Coimisiún na Scrúduithe Stáit
State Examinations Commission

Leaving Certificate Examination 2020

Business

Section 2 Ordinary Level

2 hours 30 minutes

Candidates are required to answer:

Four questions from Section 2 as follows:

One question from Part 1

Two questions from Part 2

and **One other question from either Part 1 or Part 2**

All questions in Section 2 carry equal marks.

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Section 2

300 marks

Write your answers in the Answerbook containing **Section 1**

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

One question from **Part 1**

Two questions from **Part 2**

AND one other question from either **Part 1** or **Part 2**.

All questions carry 75 marks.

Part 1

Question 1

People in Business

Read the information supplied and answer the questions which follow.

Super Sofas
*Free delivery on all
sofas ordered in
March.*

Liam saw an advertisement in his local newspaper, offering free delivery on any sofa ordered in March. He purchased a sofa from Super Sofas on 25 March 2020. However, upon delivery, Liam was charged a €70 delivery fee. He paid the fee but was not happy, so he contacted the Competition and Consumer Protection Commission (CCPC).

- (A) Name the law that protects Liam in this situation. (10)
- (B) Outline how Super Sofas have breached Liam's consumer rights. (15)
- (C) (i) Outline **one** function of the Competition and Consumer Protection Commission.
(ii) List **and** explain **one** other consumer agency that assists consumers. (15)



Angela has been employed as an engineer in a large pharmaceutical plant for three years. Recently she told her manager that she had joined a trade union. Her manager informed her that this was not acceptable to the business and terminated (ended) her contract immediately.

- (D) Outline **three** reasons (other than trade union membership) for unfair dismissal. (15)
- (E) (i) Describe **two** functions of a trade union.
(ii) Name **one** trade union in Ireland. (20)

Read the information supplied and answer the questions which follow.

Farmers threaten to blockade supermarket distribution centres

Farmers protesting in Dublin have said they will blockade supermarket distribution centres in the run-up to Christmas if progress is not made on beef prices and other issues.



"There will be no turkeys for Christmas", said one farmer, as tractors began to leave the capital on Wednesday afternoon after two days of disruption near Leinster House.

irishtimes.com, November 2019

- (A)** Farmers operate in the primary sector of the economy.

Outline **two** challenges facing the primary sector in Ireland.

(15)

- (B)** Name and explain the **two** other sectors of the Irish economy.

(15)

- (C) (i)** List and explain the **four** factors of production.

(ii) Give **one** example of each factor.

(20)



'Plastic is the biggest environmental problem of our time', Repak chief warns.

- (D)** Outline **two** environmental responsibilities of a business.

(15)

- (E)** Explain **one** benefit to a business of meeting its social, environmental and ethical responsibilities.

(10)

Read the information supplied and answer the questions which follow.

Ireland's Trade in Goods 2019			
Exports		Imports	
United Kingdom	€16 bn	United Kingdom	€20 bn
United States	€47 bn	United States	€14 bn
Rest of World	€90 bn	Rest of World	€55 bn



- (A) Outline **two** reasons why Ireland exports goods and services. (15)
- (B) (i) Calculate the total visible exports for Ireland in 2019. Show your workings.
(ii) Calculate the total visible imports for Ireland in 2019. Show your workings. (10)
- (C) (i) Calculate the Balance of Trade for Ireland in 2019. Show your workings.
(ii) State whether it is a surplus or deficit. (15)
- (D) Explain **two** benefits that Irish consumers receive from international trade. (15)
- (E) (i) Outline **two** challenges for Irish businesses exporting outside the European Union.
(ii) Explain how the Irish Government benefits from Irish businesses engaging in international trade. (20)

Part 2

Question 4

Enterprise / Managing

Read the information supplied and answer the questions which follow.

Vegalicious

Ciara Brady noticed an increased demand for healthy treats and in particular vegan products. She decided to give up her job in marketing and invest her savings into setting up a new business called "Vegalicious" which produces a range of vegan treats using natural ingredients.



Ciara now employs a staff of eight. She pays her staff well and praises them for their efforts. She holds weekly meetings with her staff where they discuss new ideas and she consults them on her plans for the business. Ciara continuously stresses the importance of good quality control to her staff.

- (A) Outline **three** enterprising characteristics/skills displayed by Ciara. (15)
- (B) Outline **two** rewards for Ciara of setting up her own business. (10)
- (C) Outline **two** advantages of meetings as a method of communication. (15)
- (D) (i) Outline **two** benefits to Ciara of using a democratic leadership style.
(ii) List **two** other leadership styles. (20)
- (E) Discuss **two** reasons why quality control is important for Ciara's business. (15)

Read the information supplied and answer the questions which follow.



Marco Aliotta owns and runs a busy Italian restaurant in Cork City. Marco employs ten full-time and six part-time staff. The restaurant offers a delivery service to the local area. Marco owns the restaurant premises and two delivery vans. Recently, he has experienced some cashflow difficulties due to an increase in insurance premiums and the cost of installing a new oven in the kitchen. Marco has contacted his bank about these difficulties.

- (A) (i) List **two** types of insurance you would expect Marco's business to have.
(ii) Marco must abide by the insurance principles of **Indemnity** and **Utmost Good Faith**. Explain **one** of these principles. (20)
- (B) Outline **two** actions Marco could take to try to reduce his insurance premium. (15)
- (C) Outline **two** benefits to Marco of preparing a cash flow forecast (cash budget). (15)
- (D) List **two** taxes that Marco's business must pay. (10)
- (E) Explain **two** factors that a bank would consider before giving a loan to a business. (15)

Read the information supplied and answer the questions which follow.



seeks

ASSISTANT RETAIL MANAGER

Role:

- Assisting the store manager with the day-to-day running of the store
- Motivating and leading a team and providing excellent customer service
- Increasing sales and controlling stock

Requirements:

- Minimum of five years fashion retail experience
- Excellent interpersonal and communication skills with a keen interest in fashion
- Good leadership skills and the ability to work as part of a team

Salary negotiable, based on experience

Benefit-in-Kind

Apply online: www.thewardrobe.com before 30th November 2020

The Wardrobe is an equal opportunities employer.

(A) Explain the following terms with reference to the above advertisement:

- (i) Job description
- (ii) Person specification.

(20)

(B) Outline **two** benefits of teamwork to a business such as The Wardrobe. (15)

(C) Explain the term **equal opportunities employer**. (10)

(D) (i) Outline the difference between a **Salary** and a **Wage**.

- (ii) Explain, using **two** examples, what is meant by **Benefit-in-Kind**.

(20)

(E) Outline **one** method of selection that The Wardrobe could use to find a suitable candidate for the position of Assistant Retail Manager. (10)

Read the information supplied and answer the questions which follow.

Ireland's Top Selling Brands

While Coca-Cola continues to lead the Top 100, occupying the number one position for the 15th year in a row, Irish brands Brennan's Bread (3rd) and Avonmore (4th) make the top five, indicating the level of loyalty that consumers have to Ireland's biggest household names.

checkout.ie



Businesses spend a lot of money promoting their brand to their target market, using methods such as Advertising, Sales Promotion, Public Relations and Direct Selling.

- (A) Outline **three** advantages of branding for a business. (20)
- (B) Explain, using an example, the term **target market**. (10)
- (C) (i) List **two** advertising media that a business could use.
(ii) Outline **two** factors a business would consider before deciding which advertising media to use. (20)
- (D) (i) Explain what is meant by **Public Relations (PR)**.
(ii) Outline **one** benefit to a business of using Public Relations (PR) as a method of promotion. (15)
- (E) Name **two** suitable types of Sales Promotion a business could use to boost sales. (10)

Read the information supplied and answer the questions which follow.

Simply



Green

LOCAL BUSINESS EXPANDING TO EUROPE

Simply Green, an eco-friendly hygiene product manufacturer based in Oakfield, has announced its intention to expand into the European market in September 2020.

Simply Green has received grant aid from the Local Enterprise Office (LEO) as a result of its impressive business plan submitted to Meath LEO.

Simply Green intends to invest heavily in new technology and hopes to access the vast European market.

- (A) Outline **two** benefits of preparing a business plan. (15)
- (B) Outline **two** reasons for business expansion. (15)
- (C) Apart from grants, outline **two** sources of finance to fund business expansion. (15)
- (D) Outline **two** advantages of information technology to a growing business. (10)
- (E) (i) Outline **two** reasons why a business would carry out market research.
(ii) Explain **one** method of Market Research. (20)

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Leaving Certificate 2020 – Ordinary Level

Business – Section 2