



Coimisiún na Scrúduithe Stáit
State Examinations Commission

Leaving Certificate 2015

Marking Scheme

Business

Ordinary 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.



LEAVING CERTIFICATE 2015

BUSINESS ORDINARY LEVEL MARKING SCHEME AND EXPECTED RESPONSES

Marking Scheme and Expected Responses for use with the Marking Scheme.

In considering the marking scheme the following points should be noted:

- The expected responses presented are not exclusive. Marks may be awarded for any other correct answers.
- The expected responses in many cases 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.

**LEAVING CERTIFICATE BUSINESS ORDINARY LEVEL 2015
MARKING SCHEME**

SECTION 1 100 MARKS
ANSWER 10 QUESTIONS – EACH QUESTION CARRIES 10 MARKS

QUESTION	MARKING SCHEME	TOTAL MARKS
1	1 st correct term 1m + 1m + 1m (3) 2 nd correct term 1m + 1m + 1m (3) 3 rd correct term 1m + 1m + 1m + 1m (4)	10
2	Two explanations @ 5 marks each (3m + 2m)	10
3	Four answers: 3m + 3m + 2m + 2m	10
4	Explanation: 5m + 5m	10
5	Two institutions @ 5m each	10
6	Formula: 4m Figures: 2 x 2m Answer: 2m	10
7	Two grounds @ 5m each	10
8	Two words @ 5m each	10
9	Five answers @ 2m each	10
10	Two purposes @ 5m each (3m + 2m)	10
11	Three labels: 4m + 3m + 3m	10
12	Three elements: 4m + 3m + 3m	10
13	Five answers @ 2m each	10
14	One correct box: 10m	10
15	Four answers: 3m + 3m + 2m + 2m	10
	Available Marks	100

SECTION 2 – 300 MARKS

PART 1

MINIMUM: 1 QUESTION (75 MARKS)
MAXIMUM: 2 QUESTIONS (150 MARKS)

QUESTION 1

(A)	Sale (2) of Goods (2) and Supply (2) of Services (2) Act 1980 (2)	10
(B)	Two forms of redress: 8 marks (4m + 4m) 7 marks (4m + 3m)	15
(C)	Two benefits explained: 8 marks (4m + 4m) 7 marks (4m + 3m)	15
(D)	Two reasons outlined: 8 marks (4m + 4m) 7 marks (4m + 3m)	15
(E)	(i) Two benefits of Trade Union: 8 marks 7 marks (ii) One example of Trade Union 5m	20
	Available Marks	75

QUESTION 2

(A)	Two Sectors @ 5 marks each Two examples 3m + 2m	15
(B)	Four factors of production @ 2 marks each Explanation of one factor: 7 marks (4m + 3m)	15
(C)	Three reasons why MNCs locate in Ireland: 7 marks (5m + 2m) 7 marks (5m + 2m) 6 marks (5m + 1m)	20
(D)	One IDA service explained: 10 marks (6m + 4m)	10
(E)	Two benefits MNCs bring to the Irish economy: 8 marks (5m + 3m) 7 marks (5m + 2m)	15
	Available Marks	75

QUESTION 3

(A)	Two examples of Govt. Exp. on Education @ 5 marks each	10
(B)	Two reasons for high expenditure on Social Protection: 8 marks (4m + 4m) 7 marks (4m + 3m)	15
(C)	Three taxes @ 5 marks each	15
(D)	Two effects on the Government's Budget: 8 marks (4m + 4m) 7 marks (4m + 3m)	15
(E)	Two benefits increased employment brings to a local community: 2 @ 10 marks (5m + 5m)	20
	Available Marks	75

SECTION 2 – PART 2

MINIMUM: 2 QUESTIONS (150 MARKS)

MAXIMUM: 3 QUESTIONS (225 MARKS)

QUESTION 4

(A)	Outline the role of an entrepreneur: @ 10 marks (4m + 4m + 2m)	10
(B)	Three benefits of enterprising skills: @ 5 marks each (3m + 2m)	15
(C)	Explain the difference between a democratic and an autocratic leader: 8 marks (2 @ 4m) 7 marks (1 @4m) + (1 @ 3m)	15
(D)	Draft Notice & Agenda of Ashfield Tidy Towns Committee Meeting: Notice: 5 items @ 2m each Agenda contents: 4 items @ 2m each Signature: 1 mark Title: 1 mark	20
(E)	Explain two benefits of Teamwork: 8 marks (4m + 4m) 7 marks (4m + 3m)	15
	Available Marks	75

QUESTION 5

(A)	Explanation of two types of insurance: 8 marks [Name 3m + Explanation 5m] 7 marks [Name 3m + Explanation 4m]	15
(B)	Two explanations of Insurance Principles with example in each case: 10m – Explanation 7m (4 + 3) + example (3m) 10m – Explanation 7m (4 + 3) + example (3m)	20
(C)	Outline the role of the ‘Assessor’ in Insurance. 10 marks (5m + 5m)	10
(D)	Outline two methods of recruiting new employees. 8 marks (4m + 4m) 7 marks (4m + 3m)	15
(E)	Explain the terms ‘Commission’ and ‘Benefit-in-Kind’, and give one example in each case. Commission: 8m – Explanation 6m + example 2m Benefit-in-kind: 7m – Explanation 5m + example 2m	15
	Available Marks	75

QUESTION 6

(A)	Two reasons for business expansion: 8 marks (4m + 4m) 7 marks (4m + 3m)	15
(B)	Bar Chart: Title 1 mark Labels 4 marks Bars (to scale) 10 marks (5 @ 2m)	15
(C)	Outline two benefits of using visual communication. 8 marks (5m + 3m) 7 marks (5m + 2m)	15
(D)	Explain two sources of long term finance used to expand business. 8 marks (4m + 4m) 7 marks (4m + 3m)	15
(E)	Explain two reasons why stock control is very important. 8 marks (4m + 4m) 7 marks (4m + 3m)	15
	Available Marks	75

QUESTION 7

(A)	Explain the term 'Target Market'. 10 marks (5m + 5m)	10
(B)	Explain two advantages of selling products online. 8 marks (5m + 3m) 7 marks (5m + 2m)	15
(C)	Outline three factors considered before setting the price of products. 7 marks (5m + 2m) 7 marks (5m + 2m) 6 marks (5m + 1m)	20
(D)	Outline two benefits of carrying out Market Research. 8 marks (5m + 3m) 7 marks (5m + 2m)	15
(E)	Explain the term 'Channels of Distribution' and draft the channel used. Explanation: 8 marks (4m + 4m) Draft: 7 marks (3m + 3m) + 1m for link	15
	Available Marks	75

QUESTION 8

(A)	Explain what is meant by the term 'Mass Production' and give one example. Explanation: 8m (4m + 4m) Example: 2m	10
(B)	Outline three benefits of branding for business. 7 marks (5m + 2m) 7 marks (5m + 2m) 6 marks (5m + 1m)	20
(C)	Draft and label a Product Life Cycle. Title 1 mark 2 axes 1 mark each (2m) Correct diagram 2 marks 5 ordered stages @ 2 marks each	15
(D)	Explain: 'Product Screening' and 'Prototype Development'. Product Screening: 8 marks (4m + 4m) Prototype Development' 7 marks (4m + 3m)	15
(E)	Outline two factors technology companies must consider before choosing a method of advertising their products. 8 marks (5m + 3m) 7 marks (5m + 2m)	15
	Available Marks	75

LC BUSINESS - ORDINARY LEVEL EXPECTED RESPONSES – 2015

SECTION 1:

SHORT ANSWER QUESTIONS

100 marks

Q.	Expected Responses	Marks																							
1	<p>What do the following letters stand for?</p> <table border="1" style="margin-left: 20px;"> <tr> <td style="padding: 2px;">ATM</td> <td>Automated Teller Machine</td> </tr> <tr> <td style="padding: 2px;">PIN</td> <td>Personal Identification Number</td> </tr> <tr> <td style="padding: 2px;">DIRT</td> <td>Deposit Interest Retention Tax</td> </tr> </table>	ATM	Automated Teller Machine	PIN	Personal Identification Number	DIRT	Deposit Interest Retention Tax	<p>10m</p> <p>3 + 3 + 4</p>																	
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PIN	Personal Identification Number																								
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2	<p>Explain the following entrepreneurial characteristics:</p> <p>(i) Innovative: Seeing new ways of doing things, coming up with new ideas, identifying solutions to problems.</p> <p>(ii) Risk taker: A person willing to take a chance in setting up a business. He/she takes a personal and financial risk. All investment could be lost if business fails.</p>	<p>10m</p> <p>2 x 5m (3+2)</p>																							
3	<p>Tick the correct Promotion Techniques:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th rowspan="2" style="text-align: left;">Examples</th> <th colspan="3" style="text-align: center;">Promotion Techniques</th> </tr> <tr> <th style="text-align: center;">Advertising</th> <th style="text-align: center;">Sales Promotion</th> <th style="text-align: center;">Public Relations</th> </tr> </thead> <tbody> <tr> <td>Buy One Get One Free</td> <td></td> <td style="text-align: center;">✓</td> <td></td> </tr> <tr> <td>Billboards</td> <td style="text-align: center;">✓</td> <td></td> <td></td> </tr> <tr> <td>Press Conference</td> <td></td> <td></td> <td style="text-align: center;">✓</td> </tr> <tr> <td>Free Samples</td> <td></td> <td style="text-align: center;">✓</td> <td></td> </tr> </tbody> </table>	Examples	Promotion Techniques			Advertising	Sales Promotion	Public Relations	Buy One Get One Free		✓		Billboards	✓			Press Conference			✓	Free Samples		✓		<p>10m</p> <p>3 + 3 + 2 + 2</p>
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4	<p>Limited Liability means that if a company goes bankrupt the owners of the company are not responsible for all the debts of the company – they are only responsible for the amount they invested in the business. Personal assets cannot be taken to repay debt.</p>	<p>10m</p> <p>5m + 5m</p>																							
5	<p>Name two European Union Institutions:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">European Parliament</td> <td>Council of EU (Council of Ministers)</td> </tr> <tr> <td>European Commission</td> <td>European Court of Auditors</td> </tr> <tr> <td>European Court of Justice</td> <td>European Central Bank (ECB)</td> </tr> </table>	European Parliament	Council of EU (Council of Ministers)	European Commission	European Court of Auditors	European Court of Justice	European Central Bank (ECB)	<p>10m</p> <p>2 x 5m</p>																	
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6	<p>Calculate the Net Profit Margin from given figures:</p> <p>Net Profit Margin: $\frac{NP}{Sales} \times \frac{100}{1} = \frac{110,000}{880,000} \times \frac{100}{1} = 12.5\%$</p>	<p>10m</p> <p>Formula: 4 Figures: 2 x 2 Answer: 2</p>														
7	<p>List two grounds where a person has the Capacity to Contract:</p> <ul style="list-style-type: none"> • over 18 • not under the influence of alcohol/drugs • of sound mind 	<p>10m</p> <p>2 x 5m</p>														
8	<p>Choose from the given words to complete the sentence:</p> <p>Global businesses view the world as one SINGLE market and use a global or adapted marketing mix to sell a STANDARDISED product.</p>	<p>10m</p> <p>2 x 5m</p>														
9	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: left; padding: 5px;">State TRUE or FALSE after each of the following statements on Theories of Motivation:</th> </tr> <tr> <th style="width: 70%; text-align: center; padding: 5px;">STATEMENT</th> <th style="width: 30%; text-align: center; padding: 5px;">TRUE or FALSE</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">McGregor's Theory on motivation is known as Theory X and Theory Y.</td> <td style="text-align: center; padding: 5px;">TRUE</td> </tr> <tr> <td style="padding: 5px;">Physiological/Physical needs relate to the need for a safe secure job.</td> <td style="text-align: center; padding: 5px;">FALSE</td> </tr> <tr> <td style="padding: 5px;">Highly motivated employees lead to low productivity in the workplace.</td> <td style="text-align: center; padding: 5px;">FALSE</td> </tr> <tr> <td style="padding: 5px;">Social/Acceptance needs relate to the need for food and shelter.</td> <td style="text-align: center; padding: 5px;">FALSE</td> </tr> <tr> <td style="padding: 5px;">Maslow believed that as one need is satisfied the next becomes the motivator.</td> <td style="text-align: center; padding: 5px;">TRUE</td> </tr> </tbody> </table>	State TRUE or FALSE after each of the following statements on Theories of Motivation:		STATEMENT	TRUE or FALSE	McGregor's Theory on motivation is known as Theory X and Theory Y.	TRUE	Physiological/Physical needs relate to the need for a safe secure job.	FALSE	Highly motivated employees lead to low productivity in the workplace.	FALSE	Social/Acceptance needs relate to the need for food and shelter.	FALSE	Maslow believed that as one need is satisfied the next becomes the motivator.	TRUE	<p>10m</p> <p>5 x 2m</p>
State TRUE or FALSE after each of the following statements on Theories of Motivation:																
STATEMENT	TRUE or FALSE															
McGregor's Theory on motivation is known as Theory X and Theory Y.	TRUE															
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Social/Acceptance needs relate to the need for food and shelter.	FALSE															
Maslow believed that as one need is satisfied the next becomes the motivator.	TRUE															
10	<p>Outline the purpose of the following insurance forms:</p> <p>Proposal Form: This is an application form that must be completed by a person who wishes to take out an insurance policy. All material facts concerning the item/asset to be insured must be disclosed. This ensures that the insurance company will have all the evidence required to decide on a premium.</p> <p>Claim form: If an insured loss is suffered, the insured completes this document when seeking compensation, giving a description of what happened and stating the amount of loss suffered. A claim form must be completed and sent to the insurer in order to be compensated.</p>	<p>10m</p> <p>2 x 5m (3 + 2)</p>														

<p>11</p>	<p>Complete the break-even chart below by placing the given labels in the correct position on the chart:</p> <p style="text-align: center;">Break-even Chart</p>	<p>10m</p> <p style="text-align: right;">4 + 3 + 3</p>										
<p>12</p>	<p>Elements of Marketing Mix:</p> <p style="text-align: center;">PRODUCT PRICE PROMOTION</p>	<p>10m</p> <p style="text-align: right;">4 + 3 + 3</p>										
<p>13</p>	<p>Match the two given lists:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> <td style="text-align: center;">3</td> <td style="text-align: center;">4</td> <td style="text-align: center;">5</td> </tr> <tr> <td style="text-align: center;">F</td> <td style="text-align: center;">D</td> <td style="text-align: center;">E</td> <td style="text-align: center;">A</td> <td style="text-align: center;">C</td> </tr> </table>	1	2	3	4	5	F	D	E	A	C	<p>10m</p> <p style="text-align: right;">5 x 2m</p>
1	2	3	4	5								
F	D	E	A	C								
<p>14</p>	<p>Tick the correct box to indicate the Act which governs how information is stored about people:</p> <p>Consumer Protection Act 2007 <input type="checkbox"/></p> <p>Data Protection Act 1988/2003 <input checked="" type="checkbox"/></p>	<p>10m</p> <p style="text-align: right;">10m</p>										
<p>15</p>	<p>Complete the functional organisation structure of a Private Limited Company with four departments:</p>	<p>10m</p> <p style="text-align: right;">3 + 3 + 2 + 2</p>										

SECTION 2

PART 1

QUESTION 1			
(A)	State the law that protects Ava in given case.		10m
	Sale of Goods and Supply of Services Act 1980		5 x 2m
(B)	Outline two forms of redress that Ava is entitled to.		15m
	Refund: Ava can get her money back as product is faulty/ not of merchantable quality.		8m (4 + 4)
	Replacement: The store can give Ava alternative headphones.		+
	Repair: The store can offer to fix the faulty headphones for Ava.		7m (4 + 3)
(C)	Explain two benefits of Ava taking her case to the Small Claims Court:		15m
	<ul style="list-style-type: none"> • Cheap: Only costs €25 to take a case to the Small Claims Court • No Solicitors involved – no legal fees – Ava could represent herself • Easy to access: Application can be made online or form downloaded • Unbiased and fair judgement: District Court judge makes decision • Quick Solution to consumer claims of up to €2,000 – ideal for Ava. 		8m (4 + 4) +
			7m (4 + 3)
(D)	Outline two reasons why the advertisements below are unlawful under the Employment Equality Act 1998.		15m
	1. Hotel Receptionist required - must be Irish and speak fluent English	2. Van driver needed to deliver goods across Ireland – male driver preferable	
	1. It is illegal to discriminate against someone based on their race/nationality – hotel cannot limit applications to Irish people only. 2. It is illegal to discriminate on the basis of a person's gender – the company must allow both male and female applicants.		8m (4 + 4) +
			7m (4 + 3)
(E)	(i) Outline two benefits to an employee of being a member of a Trade Union.		20m
	<ul style="list-style-type: none"> • Trade Union protects employees' rights at their work • TU tries to improve employees' pay and working conditions • Represents employees in dispute with employer • Negotiates redundancy packages if jobs cannot be saved. 		(i) 8m +
			7m
	(ii) State one example of a Trade Union in Ireland.		(ii)
	SIPTU	TUI	INMO
	ASTI	INTO	Impact
			5m

QUESTION 2		
(A)	<p>Name two other sectors/categories of industry; state one example of each.</p> <p>Primary Sector – Extractive industries Example: Farming, Fishing, Forestry, Mining</p> <p>Secondary Sector – Manufacturing & Construction industries Example: Intel, Glanbia, Kerry Group, Pfizer, Sisk.</p>	<p>15m</p> <p>Sectors: 2 x 5m</p> <p>Examples: 3 + 2</p>
(B)	<p>List the four factors of production and explain one of them.</p> <p>LAND: All natural resources used in the production process, e.g. water, land, minerals. The payment for land is rent.</p> <p>LABOUR: The human input (physical and intellectual) used to produce products. Reward: wages.</p> <p>CAPITAL: All man made goods used in the production process, e.g. machinery. The payment for the supply of capital is interest.</p> <p>ENTERPRISE: The character and skills of entrepreneurs who come up with the idea for a product and bring all other factors together. The reward is profit if the risk taken is successful or loss if not.</p>	<p>15m</p> <p>Factors: 4 x 2m</p> <p>Explanation 7m (4 + 3)</p>
(C)	<p>Outline 3 reasons why Multinational Companies (MNCs) locate in Ireland.</p> <p>MNC's come to Ireland due to:</p> <ul style="list-style-type: none"> • Access/gateway to EU markets (no import duty) • Low rate of Corporation Tax (12.5%) • English speaking nation • Highly skilled and well educated workforce in Ireland • Incentives of Govt. grants through IDA Ireland • Low level of industrial unrest in Ireland. 	<p>20m</p> <p>7m (5 + 2) + 7m (5 + 2) + 6m (5 + 1)</p>
(D)	<p>Explain one service provided by IDA Ireland to foreign MNCs.</p> <ul style="list-style-type: none"> • Provides funding (grants etc.) to MNCs locating in Ireland – research, innovation, expansion etc. • Constructs purpose built properties suitable for MNCs • Consultation service – information on tax, skills, education, support services for MNCs • Provides connections with third level institutions. 	<p>10m</p> <p>(6 + 4)</p>
(E)	<p>Outline two benefits MNCs bring to the Irish economy.</p> <ul style="list-style-type: none"> • Create more employment – reduce unemployment • Generate tax revenue for the Government • Help to improve infrastructure – broadband • Create spin-off business – local restaurants • Purchase materials from and use services of Irish indigenous firms. 	<p>15m</p> <p>8m (5 + 3) + 7m (5 + 2)</p>

QUESTION 3		
(A)	List two examples of Government expenditure on Education.	10m
	<ul style="list-style-type: none"> • Teachers' salaries • Building schools • Extending schools • Education initiatives • Infrastructure – IT, Labs. 	2 x 5m
(B)	Outline two reasons for the high level of expenditure on Social Protection/Welfare. <ul style="list-style-type: none"> • High level of unemployment – Govt. pays unemployment benefit • Child Benefit – all families in Ireland entitled to child benefit for their children • State Pension – large number of eligible people over 66 • Maternity benefit – paid to working mothers on maternity leave • Rent allowance – Govt. provides money to certain people to help cover rent payments • Illness/Disability benefit – if people are unable to work due to illness/disability Govt. provides payment 	15m 8m (4 + 4) + 7m (4 + 3)
(C)	List three taxes collected by the Government. <ul style="list-style-type: none"> • VAT • Income Tax (PAYE) • Corporation Tax • Motor Tax • Property Tax • Capital Gains Tax • Capital Acquisitions Tax • DIRT 	15m 3 x 5m
(D)	Outline two effects on the Government's Budget of a growth in employment. <ul style="list-style-type: none"> • Increase in income tax paid by employees improves Government income • Decrease in Social Protection payments reduces Government spending • Increased employment increases consumer spending which increases Government income from VAT. 	15m 8m (4 + 4) + 7m (4 + 3)
(E)	Explain two benefits increased employment brings to a local community. <ul style="list-style-type: none"> • Increase in spending in local businesses – wages spent locally • Improvement in standard of living in the community • Encourages more business – shops, services, spin-off businesses • Improvement in infrastructure – housing, cycle paths. • Expansion of local facilities e.g. schools. 	20m 2 x 10m (5 + 5)

PART 2:

QUESTION 4		
(A)	<p>Outline the role of an entrepreneur.</p> <p>An Entrepreneur is a person who identifies a business opportunity (product or service) and undertakes the risks of establishing it. He/she uses initiative and organises all the resources necessary (financial and human) in setting up the business in the hope of making a profit.</p>	<p>10m</p> <p>(4 + 4 + 2)</p>
(B)	<p>Outline how Alice’s enterprising skills/characteristics could benefit Ashfield Tidy Towns Committee.</p> <ul style="list-style-type: none"> • Innovation / creativity – she can spot opportunities for potential improvement in the area • Decisive – she will be able to make important decisions promptly • Analytical – she will be able to analyse situation and come up with solutions • Time Management – she will be able to set priority tasks and allow sufficient time to complete them • Realistic – aware of limitations • Flexibility / adaptability – ability to change priorities if necessary. 	<p>15m</p> <p>3 x 5m (3 + 2)</p>
(C)	<p>Explain the difference between a democratic and an autocratic leader.</p> <p>A democratic leader</p> <ul style="list-style-type: none"> - consults and communicates with staff before making decisions - delegates authority and responsibility - trusts employees to carry out their duties - persuades and motivates rather than give orders - encourages Intrapreneurship. - communication is two ways. <p>An autocratic leader</p> <ul style="list-style-type: none"> - is dominant and controlling – also known as an authoritarian leader - prefers to make own decisions - does not consult with staff - gives staff orders and expects to be obeyed - does not delegate responsibility to staff / distrusts staff - communication is only one way – top-down - objectives are achieved by threats, fear and intimidation. 	<p>15m</p> <p>8m (2 x 4) + 7m (1 x 4) (1 x 3)</p>

(D)	<p>Draft the Notice and Agenda of the Ashfield Tidy Towns Committee meeting, sent by the Secretary, Brian O'Donnell. (The Agenda must contain at least four items.)</p> <p style="text-align: center;">Notice:</p> <p>Ashfield Tidy Towns Committee 11 June 2015</p> <p>The next monthly meeting of the Ashfield Tidy Towns Committee will take place on Friday 26th June 2015 at 7.30p.m. in Ashfield Community Centre.</p> <p style="text-align: center;">Agenda:</p> <ol style="list-style-type: none"> 1. Minutes of previous meeting 2. Matters arising from minutes / Correspondence 3. Chairperson's address / Treasurer's report / Secretary's report 4. Sources of finance for improvement to our local park 5. Team responsibilities / other areas of village needing attention 6. AOB <p>Signed: Brian O'Donnell, Secretary</p>	<p>20m</p> <p><u>Notice</u> 5 x 2m</p> <p>(2m for all bolded terms)</p> <p><u>Agenda</u> 4 x 2m</p> <p>(2m for bolded items + 2 other agenda items)</p> <p>Sig. 1m Title 1m</p>
(E)	<p>Explain two benefits of teamwork:</p> <ul style="list-style-type: none"> • Improves employee morale / motivation / job satisfaction • Workload is shared / shared responsibility / each member contributes • Improves communication – people must communicate when part of a team • Work is completed faster – more people working on a task improves efficiency • Better decisions are made / solutions are better thought out • Generates creative ideas / suggestions can spark new ideas • Quality of work improves because of higher staff morale. 	<p>15m</p> <p>8m (4 + 4) + 7m (4 + 3)</p>

QUESTION 5

<p>(A)</p>	<p>Explain two types of insurance that InsuranceDepot.com might sell to its customers.</p> <p>To the public:</p> <ul style="list-style-type: none"> • Motor Insurance – statutory insurance for all motor vehicles. Covers against damage caused to others (third party cover) or others and own vehicle (comprehensive cover). • House and Contents Insurance – covers against fire/theft/flood or accidental damage to home or any belongings at home • Life Assurance – provides compensation at a certain future date or on the death of the insured • Health Insurance – covers cost of medical or hospital care • Travel Insurance. <p>To other businesses:</p> <ul style="list-style-type: none"> • Public Liability Insurance – in case of claims made by members of the public resulting from accidents on the business premises • Employers Liability Insurance – provides protection against claims made by employees as a result of accidents in the workplace • Buildings & Contents Insurance • Goods in transit Insurance • Plate Glass window Insurance • Product Liability Insurance. 	<p>15m</p> <p>8m (Name 3 Expl. 5)</p> <p>+</p> <p>7m (Name 3 Expl. 4)</p>
<p>(B)</p>	<p>Explain two of the following Principles of Insurance and give one example in each case: (i) Indemnity (ii) Insurable Interest (iii) Utmost Good Faith</p> <p>Indemnity: A person cannot make a profit from insurance – the purpose of insurance is to leave the person in the same financial position as before the claim. A person cannot make a profit from the loss incurred.</p> <p>Example: Car insured for €15,000. Market value of €9,000. Insured will only receive €9,000 compensation in the event of a write-off.</p> <p>Insurable Interest: The person taking out insurance must have a financial interest in the item being insured – must gain from its existence and suffer from its loss.</p> <p>Example: People can insure their own house but have no insurable interest in insuring their neighbour’s house.</p>	<p>20m</p> <p>2 x 10m</p> <p>[Expl. 7m(4+3) + Example 3m]</p>


	<p>Utmost Good Faith: A person taking out insurance must be truthful when completing proposal form – all material facts must be declared. A material fact is anything which affects the level of risk the insurer is being asked to cover and therefore the premium charged.</p> <p>Example: Medical condition must be declared when seeking life assurance. Any material fact must be disclosed.</p>	
(C)	<p>Outline the role of an ‘assessor’ in Insurance.</p> <p>An assessor investigates the insurance claim on behalf of the insurance company – inspects the damage to the property/item and decides how much compensation should be paid.</p>	<p>10m</p> <p>(5 + 5)</p>
(D)	<p>Outline two methods/ways of recruiting new employees.</p> <ul style="list-style-type: none"> • Advertising – Newspapers, radio – (local or national) • Recruitment Agencies – they can locate the type of person required • Internet/Company website – many jobseekers check online for vacancies • Universities/Colleges – meet groups of students • Job Agencies (e.g. Solas) – they know who are unemployed • Head hunting – Someone in another organisation is asked to take the job • Posters on notice board / office window. 	<p>15m</p> <p>8m (4 + 4) + 7m (4 + 3)</p>
(E)	<p>Explain the terms ‘Commission’ and ‘Benefit-in-Kind’, and give one example in each case.</p> <p>Commission Payment to employees based on the level of sales of each employee – employee is paid a percentage of the amount sold. <i>Example:</i> Employee sells €6,000 worth of goods and receives 10% commission = €600</p> <p>Benefit-in-kind <u>Non-financial payment</u> (also known as perks) given to employees, usually in addition to their wages/salaries or as part of an overall package. <i>Examples:</i> Subsidised meals or lunch vouchers, company car, free telephone, free laptop/tablet, free health insurance, free gym membership.</p>	<p>15m</p> <p>8m Expl. 6m Example 2m + 7m Expl. 5m Example 2m</p>

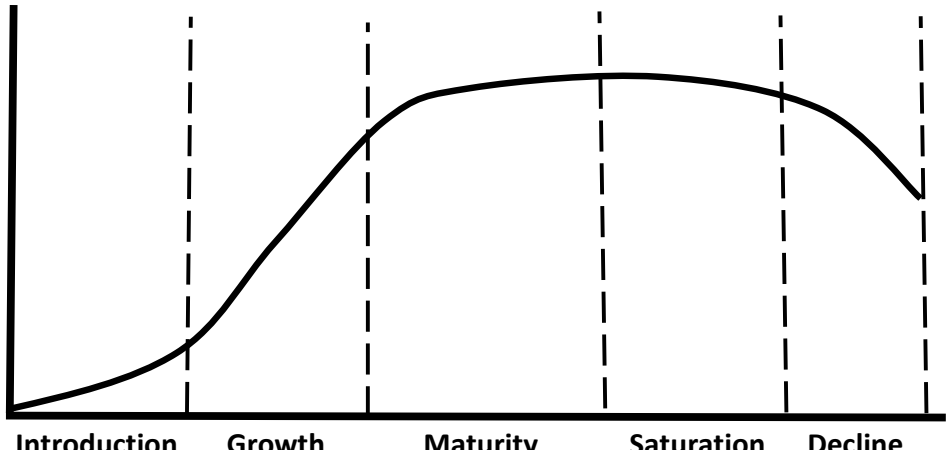
QUESTION 6

<p>(A)</p>	<p>Outline two reasons why David Mason might wish to expand his business.</p> <ul style="list-style-type: none"> • To increase profits to enable further expansion / better living standard • To access new markets which would help increase sales and profits • Economies of scale – expanding reduces costs of production • Diversification – develop new products due to decline in existing products • To acquire new technology / new products / eliminate competition. 	<p>15m</p> <p>8m (4 + 4) + 7m (4 + 3)</p>												
<p>(B)</p>	<p>Bar Chart:</p> <p style="text-align: center;">Mason Motors Ltd – Net Profit 2010-2014</p> <p>Profit €</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <caption>Mason Motors Ltd – Net Profit 2010-2014</caption> <thead> <tr> <th>Year</th> <th>Profit (€)</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>90,000</td> </tr> <tr> <td>2011</td> <td>70,000</td> </tr> <tr> <td>2012</td> <td>60,000</td> </tr> <tr> <td>2013</td> <td>100,000</td> </tr> <tr> <td>2014</td> <td>120,000</td> </tr> </tbody> </table> <p style="text-align: center;">Year</p>	Year	Profit (€)	2010	90,000	2011	70,000	2012	60,000	2013	100,000	2014	120,000	<p>15m</p> <p>Title 1m</p> <p>Profit € 2m</p> <p>Years 2m</p> <p>Bars 5 x 2m</p>
Year	Profit (€)													
2010	90,000													
2011	70,000													
2012	60,000													
2013	100,000													
2014	120,000													
<p>(C)</p>	<p>Outline two benefits of using visual communication, such as a bar chart, to present this information to the Bank Manager.</p> <ul style="list-style-type: none"> • Impact on the Bank manager more effective as it enhances Business Plan • Faster to convey message • Visual information is retained in the memory longer • Information is clear – easy to understand. 	<p>15m</p> <p>8m (5 + 3) + 7m (5 + 2)</p>												

(D)	<p>Explain two sources of long term finance David Mason could use to expand his business.</p> <p>Long-term loan / debenture – these are borrowings for 5 years or longer. Security / collateral required (property or other fixed assets). Specified rate of interest and repayment date. Used for large capital expenditure.</p> <p>Share capital / owners' capital / equity – money provided by shareholders. No security required. It remains in the company as long as it exists and is repaid only on winding up.</p> <p>Retained earnings (reserves) – profit that is not paid out in dividends but is re-invested in the company as extra capital for expansion / purchase of assets. It is a free source of finance.</p> <p>Government grants – Money from the Government on which no interest or repayments have to be made. There are usually specific conditions attached. The grants are expected to create employment and are only given for potentially viable projects.</p>	<p>15m</p> <p>8m (4 + 4) + 7m (4 + 3)</p>
(E)	<p>Explain two reasons why stock control is very important in Mason Motors Ltd.</p> <ul style="list-style-type: none"> • Ensures correct amount of stock on hand when required, ensuring no lost sales • Ensures there is no excess stock – this ties up money • Prevents deterioration of stock/obsolescence • Reduces storage and insurance costs • Less wastage • Improves image/reputation of business. 	<p>15m</p> <p>8m (4 + 4) + 7m (4 + 3)</p>

QUESTION 7		
(A)	<p>Explain the term ‘target market’.</p> <p>A target market is the group of people at whom a particular product or service is aimed. The target market may be characterised by age, income level, gender, location and lifestyle. (People sharing common needs). Example: School uniform manufacturers would target the parents of students attending school.</p>	<p>10m</p> <p>(5 + 5)</p>
(B)	<p>Explain two advantages to Amy of selling her products online.</p> <ul style="list-style-type: none"> • Access to wider/worldwide market 24/7 – open for all time zones • Lower costs – no store expenses • Immediate communication with and feedback from customers • Advertising can be tailored to target market • Easy payment options online for customers • Increased sales/profits. 	<p>15m</p> <p>8m (5 + 3) + 7m (5 + 2)</p>
(C)	<p>Outline three factors Amy must consider before setting the price of her products.</p> <ul style="list-style-type: none"> • Cost of production / research & development / cost of raw materials – these costs must be calculated and recouped over the life of the product. • Distribution costs – the cost of delivering her products • Competition – price must be similar to competitors to gain market share • Break-even point – the minimum price to cover costs • Her profit margin – the return she hopes to make from her enterprise • Government taxes / VAT or maybe price controls on certain products • Target market – different prices may be charged in different markets. • Cost of keeping her website up-to-date. • Maintenance costs – equipment repairs, light and heat, telephone – must be covered in the price to be charged. • The level of demand – the higher the demand, the higher the price. • Discounting may be considered as bulk buyers will expect to be charged at a lower price. 	<p>20m</p> <p>7m (5 + 2) + 7m (5 + 2) + 6m (5 + 1)</p>

(D)	<p>Outline two benefits of carrying out market research.</p> <ul style="list-style-type: none"> • Reduces the risk of failure – it helps to predict the likely level of sales • Helps predict what customers want in the future • Helps to find out size of market and potential • Can identify if there is a target market • Can obtain information on competitors • Can establish if demand exists for a new product/service • Can help to indicate the best price to charge • Can identify the best channel of distribution • Products can be tested on potential customers to obtain feedback on possible improvements • Can help to identify the most appropriate type of promotion to use. 	<p>15m</p> <p>8m (5 + 3) + 7m (5 + 2)</p>
(E)	<p>Explain the term ‘channels of distribution’ and draft the channel used by babypressie.ie.</p> <p>This is the means by which the product gets from the manufacturer to the consumer. The channel used may take the form of direct selling from the manufacturer to the consumer or may include other intermediaries such as wholesalers, agents and retailers.</p> <p>Channel of Distribution of babypressie.ie</p> <div style="text-align: center;"> <p>MANUFACTURER</p>  <p>CONSUMER</p> </div>	<p>15m</p> <p>Explanation: 8m (4 + 4)</p> <p>Channel of Distribution: 7m (3 + 3) + 1m for link</p>

QUESTION 8		
<p>(A)</p>	<p>Explain what is meant by the term ‘mass production’ and give one example.</p> <p>Mass Production involves the manufacture of very large quantities of identical products on a continuous basis. A high level of automation is involved, leading to economies of scale such as low labour costs per unit. A large demand is essential for mass-produced goods.</p> <p>Examples: Ball-point pens, golf balls.</p>	<p>10m</p> <p>Explain 8m (4 + 4) + Example 2m</p>
<p>(B)</p>	<p>Outline three benefits of branding for business.</p> <ul style="list-style-type: none"> • Helps identify the product / makes it more recognisable / differentiates it from competitors’ products • Creates customer loyalty – consumers tend to remain with satisfactory product • Aids marketing and advertising / keeps brand name in consumers’ minds • Allows new products associated with well-known brand to be launched • A well-known brand name can command a higher price leading to increased sales/profits, as branded products create higher demand. 	<p>20m</p> <p>7m (5 + 2) + 7m (5 + 2) + 6m (5 + 1)</p>
<p>(C)</p>	<p>Draft and label a Product Life Cycle.</p> <p style="text-align: center;">PRODUCT LIFE CYCLE</p> <p>SALES</p>  <p style="text-align: right;">TIME</p>	<p>15m</p> <p>Title: 1m</p> <p>Sales: 1m</p> <p>Time: 1m</p> <p>Curved Line: 2m</p> <p>Stages: (in order) 5 x 2m</p>

(D)	<p>Explain the following two stages in the product development process: 'Product screening' and 'prototype development'.</p> <p>Product Screening: This involves assessing all ideas for a new product, discarding the least viable and unworkable ideas and choosing the most feasible idea, the one that has best potential to succeed in the market place.</p> <p>Prototype Development: An original working example or mock-up of a new product is produced and tested – this proves if the product can actually be made and identifies changes or improvements which may be required.</p>	<p>15m</p> <p>8m (4 + 4)</p> <p>7m (4 + 3)</p>
(E)	<p>Outline two factors technology companies must consider before choosing a method of advertising their products.</p> <ul style="list-style-type: none"> • Cost – how expensive is each method – will their budget cover it? • Type of product – what method would be most suitable for this type of product? • Brand image – will method of advertising enhance product brand? • Target Market – will method chosen reach the intended target market for the product? • Competitors – what methods of advertising do competitors use to increase sales? 	<p>15m</p> <p>8m (5 + 3) + 7m (5 + 2)</p>

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