



Coimisiún na Scrúduithe Stáit
State Examinations Commission

Leaving Certificate 2017

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 2017

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 2017
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	Three elements: 4m + 3m + 3m	10
3	A: 3m + 2m B: 3m + 1m + 1m	10
4	Three elements: 4m + 3m + 3m	10
5	Two uses: @ 5m each	10
6	Two calculations: @ 5m each (4m + 1m)	10
7	Two words: @ 5m each	10
8	Three grounds: 4m + 3m + 3m	10
9	Two benefits: @ 5m each (3m + 2m)	10
10	Four answers: 4m + 3m + 2m + 1m	10
11	One correct box: 10m	10
12	Two institutions: @ 5m each	10
13	Two explanations: @ 5m each (3m + 2m)	10
14	Five answers: @ 2m each	10
15	Five answers: @ 2m each	10
	Available Marks	100

SECTION 2 – 300 MARKS

PART 1

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

QUESTION 1

(A)	Two explanations	15m (10m + 5m) + 5m (4m + 1m)	20
(B)	One law	@ 10 marks (5 @ 2m)	10
(C)	Three benefits:	8 marks (6m + 2m) 8 marks (6m + 2m) 4 marks (2m + 2m)	20
(D)	Two effects:	6m + 4m	10
(E)	Two functions:	8m + 7m	15
	Available Marks		75

QUESTION 2

(A)	Name the sector: Example:	6 m 4m	10
(B)	Two sectors:	@ 10 marks each (3m + 4m + 3m)	20
(C)	Three benefits:	7 marks (4m + 3m) 7 marks (4m + 3m) 6 marks (4m + 2m)	20
(D)	(i) VAT: (ii) Two explanations:	5m (2m + 2m + 1m) @ 5 marks each (3m + 2m)	15
(E)	Two effects:	@ 5 marks each (3m + 2m)	10
	Available Marks		75

QUESTION 3

(A)	Three states:	10 marks (4m + 3m + 3m)	10
(B)	(i) Explanation: (ii) Two others:	7m (3m + 2m + 2m) @ 4 marks each	15
(C)	Two advantages: One disadvantage:	@ 7 marks each (4m + 3m) @ 6 marks (3m + 3m)	20
(D)	(i) Explanation: (ii) Two Global Businesses:	10m (4m + 4m + 2m) @ 5 marks each	20
(E)	Two challenges:	@ 5 marks each (3m + 2m)	10
	Available Marks		75

SECTION 2 – PART 2

MINIMUM: 2 QUESTIONS (150 MARKS)
MAXIMUM: 3 QUESTIONS (225 MARKS)

QUESTION 4

(A)	Three characteristics:	@ 5 marks each (3m + 2m)	15
(B)	One plan:	@ 10 marks (5m + 5m)	10
(C)	(i) Explanation:	7m (4m + 3m)	15
	(ii) Two advantages:	5m (3m +2m) + 3m (2m + 1m)	
(D)	Two explanations:	8 marks (4m + 4m) 7 marks (4m + 3m)	15
(E)	Notice:	8 marks (4 @ 2m)	20
	Agenda:	10 marks (5 @ 2m)	
	Signature:	2 marks (2 @ 1m)	
	Available Marks		75

QUESTION 5

(A)	(i) One item:	5m	10
	(ii) One item:	5m	
(B)	(i) Position:	8m	20
	(ii) Two reasons:	@ 6m each	
(C)	(i) Source:	8 m	20
	(ii) Two benefits:	8m + 4m	
(D)	Explanation:	10 marks (4m + 3m + 3m)	10
(E)	Three types of insurance:	6 marks (3m + 3m) 6 marks (3m + 3m) 3 marks (2m + 1m)	15
	Available Marks		75

QUESTION 6

(A)	Three explanations:	12 marks (8m + 4m) 4 marks (3m + 1m) 4 marks (3m + 1m)	20
(B)	Three ways:	@ 5 marks each (2m + 3m)	15
(C)	(i) Explanation: (ii) Job Description:	12m (8m + 4m) 8m (4m + 4m)	20
(D)	Explanation:	10 marks (6m + 4m)	10
(E)	Two explanations:	@ 5 marks each (3m + 2m)	10
	Available Marks		75

QUESTION 7

(A)	Explanation: Advantage:	5m (3m + 2m) 5 marks	10
(B)	(i) Explanation: (ii) Product Life Cycle:	5m (3m + 2m) 15 marks [(6 @ 2m) + (3 @ 1m)]	20
(C)	(i) One advantage: (ii) One advantage:	10m (5m + 5m) 10m (5m + 5m)	20
(D)	Two types of research: Two explanations: Two examples:	@ 3m each 3m + 2m @ 2m each	15
(E)	Two ways:	6m (4m + 2m) + 4m (2m + 2m)	10
	Available Marks		75

QUESTION 8

(A)	(i) Owners: (ii) Explanation:	3m 12m (6m + 6m)	15
(B)	(i) Two methods: (ii) Two features:	@ 5m each @ 5m each	20
(C)	Two benefits:	8 marks (4m + 4m) 7 marks (4m + 3m)	15
(D)	Illustration:	10 marks (5 @ 2m) or (4m + 2m + 4m)	10
(E)	Two sales promotions:	8 marks (4m + 4m) 7 marks (4m + 3m)	15
	Available Marks		75

LC BUSINESS - ORDINARY LEVEL EXPECTED RESPONSES – 2017

SECTION 1:

SHORT ANSWER QUESTIONS

100 marks

Q.	Expected Responses	Marks						
1	What do the following letters stand for? <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">USC</td> <td style="padding: 2px;">Universal Social Charge</td> </tr> <tr> <td style="padding: 2px;">CEO</td> <td style="padding: 2px;">Chief Executive Officer</td> </tr> <tr> <td style="padding: 2px;">SWOT</td> <td style="padding: 2px;">Strengths Weaknesses Opportunities Threats</td> </tr> </table>	USC	Universal Social Charge	CEO	Chief Executive Officer	SWOT	Strengths Weaknesses Opportunities Threats	10m (3+3+4)
USC	Universal Social Charge							
CEO	Chief Executive Officer							
SWOT	Strengths Weaknesses Opportunities Threats							
2	List three elements of a valid contract: <ul style="list-style-type: none"> • Agreement/Offer/Acceptance • Consideration • Intention to contract • Consent to contract • Capacity to contract • Legality of form • Legality of purpose 	10m (4+3+3)						
3	Methods of communication: A. (i) Bar Chart/Visual communication. (ii) Most popular online clothes retailer: Topshop B. (i) Memorandum (Memo)/Written communication. (ii) Sender: Michael Barron/Sales Manager Receiver All Staff	10m (3+2) (3+1+1)						
4	List the three other elements of the marketing mix. <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <td style="padding: 5px;">PRODUCT</td> <td style="padding: 5px;">PRICE</td> <td style="padding: 5px;">PROMOTION</td> <td style="padding: 5px;">PLACE</td> </tr> </table>	PRODUCT	PRICE	PROMOTION	PLACE	10m (4+3+3)		
PRODUCT	PRICE	PROMOTION	PLACE					

5	<p>Explain one use of the following computer software programs for a business.</p> <p>(i) Microsoft Word – To prepare reports, the agenda/minutes of a meeting, letters, business documents, invoices.</p> <p>(ii) Microsoft Excel – To prepare financial accounts, budgets, customer databases, bar charts, spreadsheets, cash flow, sales records.</p> <p>Accept all relevant answers</p>	<p>10m</p> <p>(5+5)</p>	
6	<p>Gross Profit Percentage</p> <p>(i) $\frac{99,000 \times 100}{220,000} = 45\%$</p> <p>1m for correct answer. 4m for workings.</p>	<p>Net Profit Percentage</p> <p>(ii) $\frac{55,000 \times 100}{220,000} = 25\%$</p> <p>1m for correct answer. 4m for workings.</p>	<p>10m</p> <p>(4+1)</p> <p>+</p> <p>(4+1)</p>
7	<p>Choose the appropriate words to complete the sentence below.</p> <p>Intrapreneurship involves EMPLOYEEES in a business coming up with new IDEAS to help improve the business.</p>	<p>10m</p> <p>(5+5)</p>	
8	<p>List three grounds on which discrimination is outlawed under the Employment Equality Act 1998.</p> <ul style="list-style-type: none"> • Gender – male/female • Marital Status – single/married/separated/divorced • Family Status – family/pregnancy • Religious belief (or none) • Age • Race – originate from another country/colour of skin • Disability – physical/ mental disability • Sexual Orientation – sexual preference • Membership of Travelling Community. 	<p>10m</p> <p>(4+3+3)</p>	
9	<p>Outline two benefits of Quality Control for a business.</p> <p>Consistent standard of products: The business develops a reputation for producing quality products / offering services of a very high standard.</p> <p>Increased Sales: Sales increase due to the good reputation for quality products.</p> <p>Reduced Costs: Less faulty products, less waste. The business costs are lower because it does not have to waste money on repairs and refunds.</p> <p>Quality awards can be used as a marketing tool: Awards such as the Q mark and the ISO9000 can be used as a marketing tool to promote the business.</p>	<p>10m</p> <p>(3+2)</p> <p>+</p> <p>(3+2)</p>	

10	Statement	Merger	Take-over	Fran-chise	Strategic Alliance	10m
	Apple buys Beats by Dr Dre for \$3bn.		✓			(4+3+2+1)
	Avonmore Foods plc and Waterford Foods plc joined forces to form Glanbia plc	✓				
	Irish grocery retailer SuperValu has announced a new partnership with Bank of Ireland as part of its 'Real Rewards' loyalty programme.				✓	
	The Zip Yard have expanded by allowing other parties to use the business model and trademark in exchange for a fee and a percentage of profits.			✓		
11	<p>Indicate the term below that refers to trade union members voting on industrial action. Tick (✓) in the correct box.</p> <p>Picketing <input type="checkbox"/></p> <p>Secret Ballot <input checked="" type="checkbox"/></p> <p>Work to rule <input type="checkbox"/></p>					10m
12	<p>Name two European Union institutions.</p> <ul style="list-style-type: none"> • European Commission • European Parliament • EU Council • European Central Bank • European Court of Justice • European Court of Auditors 					10m (5+5)
13	<p>(i) Explain the term Visible Imports. Businesses and people buying physical products from foreign countries. Money leaves the importing country. e.g. An Irish supermarket buying fruit from Spain. A student importing a Debs dress from America.</p> <p>(ii) Explain the term Invisible Exports. Businesses selling services from one country to other foreign countries/to customers in other countries. Money comes in to the exporting country. e.g. An Irish PR company selling its service to a business in the UK. American tourists staying in an Irish Hotel in Cork.</p>					10m 5(3+2) 5(3+2)

14	Write TRUE or FALSE after each of the following statements.		10m												
	A loading is a reduction on the basic insurance premium because the person is a lower risk of claiming.	FALSE		2											
	Corporation Tax is a tax paid on the profits made by a company.	TRUE		2											
	Commercial rates are a tax paid by businesses to their local council.	TRUE		2											
	Indemnity is a principle of insurance that states you must reveal all relevant information when applying for insurance.	FALSE		2											
	Utmost good faith is a principle of taxation.	FALSE		2											
15	<table border="1"> <tr> <td>1.</td> <td>2.</td> <td>3.</td> <td>4.</td> <td>5.</td> </tr> <tr> <td>E</td> <td>F</td> <td>D</td> <td>B</td> <td>C</td> </tr> </table>				1.	2.	3.	4.	5.	E	F	D	B	C	10 m (2+2+2+2+2)
	1.	2.	3.	4.	5.										
E	F	D	B	C											

(C)	<p>Outline three benefits of being a member of a trade union.</p> <ul style="list-style-type: none"> • Better pay – one of the main objectives of a trade union is to seek the best possible wages for all its members. • Better working conditions – the trade union tries to improve employees’ working conditions. • Represents employees in a dispute with the employer – the trade union will represent both individuals and groups when they are in a dispute over pay, redundancy, dismissal, discrimination, or pensions. • Negotiations on redundancy settlements – the trade union negotiates redundancy packages if jobs cannot be saved. • Provides advice – the employees can contact their union for advice on all employment related issues such as legal entitlements, holidays, conditions, conflict, contracts. • Contracts/Tenure – The trade union will help its member to obtain job security, permanency. The union will lodge appeals in situation where a member has been unfairly denied a contract. [Other correct answers accepted.] 	<p>20m</p> <p>8(6+2)</p> <p>8(6+2)</p> <p>4(2+2)</p>
(D)	<p>Outline two effects of industrial disputes.</p> <ul style="list-style-type: none"> • Loss of Wages for employees • Loss of Sales and Profits for the business/employer • Loss of Service/Customer dissatisfaction for the consumer • Loss of Tax Revenue for the Government • Morale/Relationships between the employer and employees suffers. 	<p>10m</p> <p>6</p> <p>+</p> <p>4</p>
(E)	<p>Outline two functions of a shop steward.</p> <ul style="list-style-type: none"> • Keeps members up to date with information from head office, e.g. progress on pay consultations, directives in terms of strike action. • Recruits new members – encourage new members of the workforce/staff to join the trade union. • Highlights the benefits of union membership. • Takes up employees’ grievances with management, e.g. working conditions, promotions, working hours. • Takes matters that cannot be settled internally to a higher level of the trade union. • Informs the trade union head office of members concerns. This helps to shape the agenda of the trade union. 	<p>15m</p> <p>8</p> <p>+</p> <p>7</p>

QUESTION 2		
(A)	<p>From the information provided in the paragraph above, name the sector of the economy that tourism operates in. State one example of a business in the tourism industry.</p> <p>Sector: Tertiary Sector/Services Sector</p> <p>Example: Restaurant, hotel, tour operator.</p> <p>Accept relevant correct answers.</p>	<p>10m</p> <p>6</p> <p>4</p>
(B)	<p>Explain the two other sectors of the economy and provide one example of a business in each sector from the information provided.</p> <p>Primary Sector: The Primary Sector is made up of the extractive industries. The Primary sector provides raw materials. The primary sector includes Farming, Fishing, Forestry, and Mining.</p> <p>Example: Local farmers and fishermen have experienced an increase in demand for their raw materials from local restaurants, cafes, and bars.</p> <p>Secondary Sector: The secondary sector includes the manufacturing and construction industries. The manufacturing industry takes raw materials from the primary sector and processes them into finished products, e.g. furniture, computers, cheese. It includes indigenous firms, transnational companies and agri-business. The construction industry is involved in building, e.g. houses, hospitals, roads.</p> <p>Example: Local construction firms building hostels, restaurants, and cafes.</p>	<p>20m</p> <p>10 (3+4+3)</p> <p>10 (3+4+3)</p>
(C)	<p>Outline three benefits to a local community of a new business setting up in an area.</p> <ul style="list-style-type: none"> • Creates jobs/employment for people in the area. • Improves standard of living in area – staff wages spent locally. • Spin-off effect – other businesses set up to supply services to the new business. • Sponsorship of local events, generates further revenue. • Generates sales/business in the area – customers/suppliers. More money spent in local shops, cafes. • May lead to training employees in new skills – apprenticeships – upskilling. • Improved infrastructure – more investment in roads / services. <p>Note: The expected responses are not exhaustive. Marks may be awarded for any other correct answer.</p>	<p>20m</p> <p>7(4+3)</p> <p>7(4+3)</p> <p>6(4+2)</p>

<p>(D)</p>	<p>(i) What do the letters VAT stand for? Value Added Tax</p> <p>(ii) Explain two taxes, other than VAT and USC, which the government collects.</p> <p>PAYE – Pay As You Earn: This is a direct tax paid by employees on their income /wages /salaries. It is deducted at source by the employer at a specified rate and forwarded the Revenue Commissioners. It is a statutory deduction from wages/salaries.</p> <p>Capital Gains Tax is a tax on gains or profits made on the sale of assets.</p> <p>DIRT (Deposit Interest Retention Tax) is a tax charged on the interest earned on bank accounts. It is deducted by the bank before interest is paid and forwarded to the Revenue Commissioners.</p> <p>Corporation Tax is a tax on company profits. A reduced rate applied to the profits of foreign companies based in Ireland.</p> <p>Other examples: Excise duty, Import duty, Capital Acquisitions Tax, Local Property Tax, Vehicle Registration Tax, Motor Tax.</p>	<p>15m</p> <p>5(2+2+1)</p> <p>5(3+2)</p> <p>5(3+2)</p>
<p>(E)</p>	<p>Outline two effects of the lower VAT rate on businesses involved in tourism in Ireland.</p> <ul style="list-style-type: none"> • Keeps prices lower – prices paid by consumers are lower, so Irish businesses involved in tourism are competitive. • Cheaper hotel rates attract more tourists to Ireland. • Increased sales/profits – lower prices results in increased sales/more profit. • Creates more employment in tourism sector – increased sales results in more jobs being created. <p>Note: The expected responses are not exhaustive. Marks may be awarded for any other correct answer.</p>	<p>10 m</p> <p>5(3+2)</p> <p>5(3+2)</p>

QUESTION 3		
(A)	<p>Apart from Ireland and the UK, name three member states in the EU.</p> <p>Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden.</p>	<p>10 m</p> <p>4+3+3</p>
(B)	<p>(i) Explain the term tariff.</p> <p>A tariff is a tax placed on imports. A tariff is a trade barrier that is added to the value/price of goods imported to make imported goods more expensive. Tariffs encourage consumers to purchase goods from domestic producers.</p> <p>(ii) Name two other trade barriers.</p> <p>Quota, Embargo, Subsidy, Regulations, Import/Export Licences.</p>	<p>15m</p> <p>7(3+2+2)</p> <p>2 @ 4m</p>
(C)	<p>(i) Outline two advantages for Ireland of membership of the EU:</p> <ul style="list-style-type: none"> • Single market – access to wider market (500 million) • Free movement of goods, services, capital and people • Grant aid to improve infrastructure • Exchange Rate risks/currency fluctuations to Eurozone countries eliminated • Attracts MNCs to Ireland as a stepping stone to European market • CAP & SFP have improved Irish agriculture and fisheries • Increased tourism from EU countries • Provides finance/advice to re-capitalise the country. <p>(ii) Outline one disadvantage for Ireland of membership of the EU:</p> <ul style="list-style-type: none"> • No control over interest rates- Interest rates are set by the ECB. • Increased competition for Irish businesses from firms within the EU. • Decision making/Trade deals – Any economic trade deal must be approved by the European Commission • EU Directives/Regulations force the Irish government to change laws. This can have a negative impact on business costs e.g. increased costs of meeting new directives/Loss of sovereignty. • Skilled Irish workers may move to other EU countries to work. • Higher costs for Irish firms operating in a very large international market – e.g. travel and insurance costs. 	<p>20m</p> <p>7(4+3) + 7(4+3)</p> <p>6(3+3)</p>

(D)	<p>(i) Explain the term “Global Business”.</p> <p>A global business treats the world as one market. A global business attempts to sell the same, undifferentiated product worldwide. It produces the goods wherever it is most profitable. The goods are the same standard wherever they are sold with only minor differences to accommodate different languages or local legislation.</p> <p>(ii) Name two Global Businesses:</p> <p>Coca Cola, Apple, Nike, Toyota, Microsoft, Intel, HP, Google, Nokia.</p>	<p>20m</p> <p>10m (4+4+2)</p> <p>2 @ 5m</p>
(E)	<p>Outline two challenges for Irish businesses operating in international markets.</p> <ul style="list-style-type: none"> • Language difficulties – translating slogans, advertisements. • Cultural differences – ways of life, e.g. people in India do not eat beef. • Distribution costs – transport is expensive; channel of distribution may need to be adapted; use of agents. • Currency exchange rates – for example the dollar and sterling rates may fluctuate – affecting competitiveness. • Competition from other countries – competition from domestic producers who produce high quality goods. • Taxes and duties charged by other countries. • High cost base – labour / insurance, cost of adapting products to meet international standards / regulations • Geographical / climatic differences – adaptation may be required. • Payment difficulties – problems collecting debts. • Political risks and instability in some countries 	<p>10m</p> <p>5(3+2) + 5(3+2)</p>

QUESTION 4		
(A)	<p>Outline three entrepreneurial characteristics/skills displayed by Paul.</p> <ul style="list-style-type: none"> • Innovative/Creative – Paul has come up with new ideas. • Risk taker – Paul has taken a personal and financial risk. Resigned from his job to set up a new business. • Proactive – Paul decided to do things himself when he saw the opportunity. • Creative – he came up with new ideas – service for supporters of soccer and rugby. • Decisive – he decided to set up new business. • Confident – he displays self-belief/belief in his idea and plans to be market leader for sports travel. • Flexible – Able to adapt to changing situations. • Human Relations skills – he gets on with people as he hired a small team. • Future focused /ambitious – he looks to the future and identifies a profitable opportunity. <p>Accept other appropriate responses.</p>	<p>15 m</p> <p>5(3+2)</p> <p>5(3+2)</p> <p>5(3+2)</p> <p>Must have a reference to Paul</p>
(B)	<p>Name and explain one type of plan developed by management in a business.</p> <ul style="list-style-type: none"> • Mission statement – overall vision document. • Strategic plan– long term plan outlining the goals or objectives to be achieved over a longer period of time e.g. 5-year plan. • Tactical plan – breakdown of the strategic plan into goals or objectives to be achieved within the next 1-2 years. • Contingency plan – plan for emergencies or unforeseen events. Often referred to as a back-up plan. • Operational plan – plan outlining the goals or objectives to be achieved on a day to day basis. Daily sales plan. • Business plan – states the goals and objectives of a business and how they are to be achieved. 	<p>10m</p> <p>5+5</p>
(C)	<p>(i) Explain the term delegation.</p> <p>Delegation involves the assignment of authority to another person, generally from a manager to a subordinate, to undertake a specific work task or project.</p> <p>(ii) Outline two advantages of delegation.</p> <ul style="list-style-type: none"> • Encourages Intrapreneurship. • Communication is improved/Better industrial relations. • Increased staff motivation. • Increased efficiency in terms of task completion. • Trains future managers / Staff gain experience. 	<p>15m</p> <p>7(4+3)</p> <p>5(3+2) + 3(2+1)</p>

(D)	<p>Explain the following terms:</p> <p>(i) The agenda of a meeting: An agenda is a list of all the topics to be discussed at the meeting. The topics are put in order of importance. The agenda always starts with the minutes from the last meetings and ends with AOB.</p> <p>(ii) The minutes of a meeting: This is an account of a meeting written by the secretary. It includes people present, absences, decisions made, matters discussed and planning for future meetings.</p>	<p>15m</p> <p>8(4+4)</p> <p>7(4+3)</p>
(E)	<p>Draft the Notice and Agenda for the AGM of Sport Trips Ireland Ltd.</p> <p style="text-align: center;"><i>SPORT TRIPS IRELAND Ltd</i></p> <p style="text-align: center;">NOTICE:</p> <p style="text-align: right;">8 September 2017</p> <p>The AGM of Sport Trips Ireland Ltd will take place in the G Hotel, Co. Galway on Saturday 30th September 2017 at 2.00 p.m.</p> <p style="text-align: center;">AGENDA:</p> <ol style="list-style-type: none"> 1. Minutes of AGM 2016 2. Matters arising from minutes 3. Chairperson’s Report 4. Auditor’s Report 5. Declaration of Dividend 6. Appointment of Auditors 7. Election of Directors 8. AOB <p>Signed: <u>Emma Butler</u> Emma Butler Company Secretary</p>	<p>20 m</p> <p>Notice 8 (4@2m)</p> <p>Agenda 10 (5@2m) [Three bolded compulsory, + two others]</p> <p>Signature 2 (1+1)</p>

QUESTION 5		
(A)	<p>Name one item which Restaurant Nuevo Ltd might include under each of the following:</p> <p>(i) Receipts section: Cash Sales, Grant.</p> <p>(ii) Payments section: Purchases of stock or equipment, Wages, Insurance.</p>	<p>10 m</p> <p>5</p> <p>5</p>
(B)	<p>(i) Does Restaurant Nuevo Ltd have a better cashflow position in January or March? March</p> <p>(ii) Outline two possible reason for your answer. Total Receipts higher in March than in January, probably due to a planned increase in Sales. Total Payments much lower in March than in January, probably due to a planned reduction in costs in order to save for expansion.</p>	<p>20m</p> <p>8</p> <p>2 @ 6m</p>
(C)	<p>(i) Name a suitable medium-term source of finance Restaurant Nuevo Ltd might use for the new kitchen equipment.</p> <ul style="list-style-type: none"> • Medium term loans • Hire purchase • Leasing <p>(ii) Outline two benefits of the source of finance chosen.</p> <p>Medium term loan:</p> <ul style="list-style-type: none"> • Immediate ownership of the asset • current interest rates are low • instalments arranged to suit borrower's ability to repay. <p>Hire Purchase:</p> <ul style="list-style-type: none"> • HP can be easily acquired • immediate use of the asset • no security/collateral required • instalment payments spread out for up to 5 years. <p>Leasing:</p> <ul style="list-style-type: none"> • Immediate use of the asset • no capital costs • offers the option to easily upgrade the asset in the future. 	<p>20m</p> <p>8</p> <p>8 + 4</p>

(D)	<p>Explain the term current account.</p> <p>A current account is a service offered by commercial banks and building societies. Money can be withdrawn without notice. The account is used frequently for withdrawals and deposits. An ATM/Debit card can be used to withdraw cash and make payments. A Bank overdraft can be taken out which allows account holder to withdraw more money than is in the current account. Direct Debit and Standing Orders can be used to make regular payments from one current a/c to another/pay bills.</p> <p>Account can be accessed and managed online and by telephone.</p> <p>Access to money at all times.</p> <p>Fee/bank charge payable for use of the current account.</p> <p>Cheque book can be used to make payments from Current a/c</p> <p>Wages/Salary can be paid directly into Current a/c via Paypath.</p>	<p>10m</p> <p>4+3+3</p>
(E)	<p>Outline three types of insurance Restaurant Nuevo Ltd should have.</p> <ul style="list-style-type: none"> • <u>Property / Buildings & Contents</u> Insurance – protects against cost of damage caused by fire/theft/flood on premises. • <u>Public Liability</u> Insurance – to cover against claims made by any member of the public who gets injured on the business premises. • <u>Employers Liability</u> Insurance – provides protection against claims made by employees because of accidents in the workplace. • <u>Plate Glass Window</u> Insurance – to cover the cost of window glass that may get broken. • <u>Motor Insurance</u> – statutory insurance for all motor vehicles that the business may own. • <u>Consequential Loss</u> Insurance – covers against loss of profits due to temporary closure caused by fire/flood. • <u>Product Liability</u> Insurance – to cover damages if a person gets ill after a meal in the restaurant. • <u>Fidelity Guarantee</u> Insurance – protects against theft by employees. 	<p>15m</p> <p>6(3+3)</p> <p>6(3+3)</p> <p>3(2+1)</p>

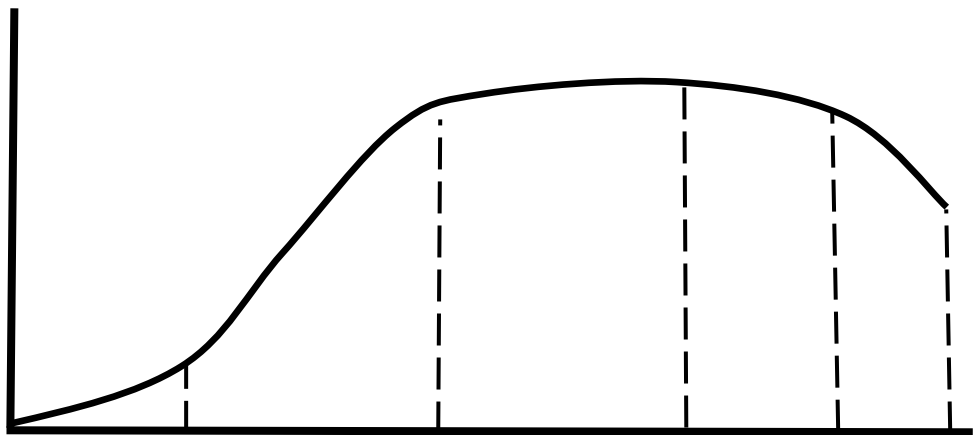
QUESTION 6

(A)	<p>Explain any three of the four underlined terms in the text.</p> <p>Prototype Development:</p> <p>This stage involves developing a sample or first model of a product (or app). It can be used to test the product to see if it conforms to certain standards, how it performs, and to identify what adjustments/ improvements need to be made. The prototype helps the business make decisions on necessary changes before deciding to go into full production.</p> <p>Feasibility Study:</p> <p>A Feasibility Study is carried out to assess the financial potential of a product or service. It assesses</p> <ul style="list-style-type: none">• the viability of the idea• If it can it be produced at a reasonable cost.• if the estimated cost per unit is low enough to allow a commercial margin/profit. <p>Test Marketing:</p> <p>Test marketing involves assessing customer reaction. The product is tested on a sample of potential consumers before going into full production. This is to gauge their reaction and get feedback on sales/demand. This will decide whether the product should be marketed as a full-scale commercial venture.</p> <p>Launch:</p> <p>The product is released to the market. This is the point at which consumers have first access to a new product. An advertising and marketing campaign is used to create awareness of the new product/service in order to help boost sales.</p>	<p>20m</p> <p>12(8+4)</p> <p>+</p> <p>4(3+1)</p> <p>+</p> <p>4(3+1)</p>
------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------

(B)	Outline three ways entrepreneurs come up with ideas for new products/services.	15m
	<ul style="list-style-type: none"> <li data-bbox="303 291 1292 403"> <p>• Travel – Entrepreneurs get ideas from products/services they have seen work in other destinations. They then adapt these products/services as a new idea for their home market.</p> <li data-bbox="303 414 1292 526"> <p>• Competitors – Entrepreneurs get ideas from what they see competitors are doing. Competitors can give the entrepreneurs an idea for new product/service of their own.</p> <li data-bbox="303 537 1292 649"> <p>• Friends/Family suggestions – Entrepreneurs get ideas from friends or family who might make suggestions or highlight a problem with an existing product/service.</p> <li data-bbox="303 660 1292 772"> <p>• Internet – Entrepreneurs get ideas from the internet. An event, video, trend, problem etc. they witness online might trigger an idea for a new product/service that they can offer.</p> <li data-bbox="303 784 1292 851"> <p>• Media: Newspapers, TV show changing trends & fashions. Entrepreneurs can use these to identify business opportunities.</p> <li data-bbox="303 862 1292 929"> <p>• Fashion/Consumer Trends – listening to what is “in vogue”/customer trends and make a product to suit their needs.</p> <li data-bbox="303 940 1292 1086"> <p>• Brainstorming: List as many ideas as possible, without limits or judgements. One idea often sparks another idea. After an agreed time, the ideas are evaluated and a shortlist of best ideas may be drawn up for further development.</p> <li data-bbox="303 1097 1292 1243"> <p>• Research & Development: Putting money into trying to develop a new/improved product e.g. Samsung develop improved mobile phones. R & D sometimes leads to a different and more successful product.</p> <li data-bbox="303 1254 1292 1321"> <p>• Customer Feedback: Market Research / surveys / complaints – help to find out what products consumers want or dislike.</p> <li data-bbox="303 1332 1292 1400"> <p>• Intrapreneurship / Staff suggestions: Employees act like entrepreneurs and come up with new ideas or new ways of doing things.</p> <li data-bbox="303 1411 1292 1478"> <p>• Franchising: Renting a complete business idea, name & logo from an existing business in return for an annual percentage of sales.</p> <li data-bbox="303 1489 1292 1556"> <p>• Import Substitution: Produce a product in Ireland that has been previously imported.</p> 	<p style="text-align: right;">5(2+3)</p> <p style="text-align: right;">5(2+3)</p> <p style="text-align: right;">5(2+3)</p>

<p>(C)</p>	<p>Explain the term Job Description.</p> <p>This document shows <u>details of the position/vacancy to be filled</u>, including the job title, work details, duties and responsibilities of the job, conditions of employment and place of work.</p> <p>Draft the Job Description Marie prepared for the new position of Sales Manager.</p> <p>Sample Job Description: (Answers may vary)</p> <table border="1" data-bbox="319 526 1268 1048"> <thead> <tr> <th colspan="2">Vacancy at Máire de Paor's new app business:</th> </tr> </thead> <tbody> <tr> <td>Job title:</td> <td>Sales Manager</td> </tr> <tr> <td>Work details:</td> <td></td> </tr> <tr> <td>Duties & Responsibilities:</td> <td>Marketing and advertising our app throughout Ireland. Ensuring it is kept up-to-date.</td> </tr> <tr> <td>Conditions of employment:</td> <td></td> </tr> <tr> <td>Contracted hours:</td> <td>38 hours per week. Weekend work required.</td> </tr> <tr> <td>Salary:</td> <td>€25,000 p.a. plus commission</td> </tr> <tr> <td>Place of work:</td> <td>Head Office in Athlone.</td> </tr> <tr> <td>Responsible to:</td> <td>Máire de Paor</td> </tr> </tbody> </table>	Vacancy at Máire de Paor's new app business:		Job title:	Sales Manager	Work details:		Duties & Responsibilities:	Marketing and advertising our app throughout Ireland. Ensuring it is kept up-to-date.	Conditions of employment:		Contracted hours:	38 hours per week. Weekend work required.	Salary:	€25,000 p.a. plus commission	Place of work:	Head Office in Athlone.	Responsible to:	Máire de Paor	<p>20m</p> <p>12 (8+4)</p> <p>8 (4+4)</p> <p>(at least 2 points)</p>
Vacancy at Máire de Paor's new app business:																				
Job title:	Sales Manager																			
Work details:																				
Duties & Responsibilities:	Marketing and advertising our app throughout Ireland. Ensuring it is kept up-to-date.																			
Conditions of employment:																				
Contracted hours:	38 hours per week. Weekend work required.																			
Salary:	€25,000 p.a. plus commission																			
Place of work:	Head Office in Athlone.																			
Responsible to:	Máire de Paor																			
<p>(D)</p>	<p>Explain the term shortlisting.</p> <p>Shortlisting involves creating a reduced list of candidates for interview from the number of people who applied for the job. The purpose of short-listing is to identify those candidates who best meet the selection criteria for the post. It is used to help identify those who most likely can carry out the duties of the job; and whom you wish to find out more about during a formal interview.</p>	<p>10m</p> <p>6+4</p>																		
<p>(E)</p>	<p>Explain two financial rewards that businesses offer to motivate staff.</p> <ul style="list-style-type: none"> • Wages / basic pay – financial remuneration for a role/set of duties. Can be a flat rate or a piece rate. • Bonus – extra payment for reaching targets e.g. productivity. Often paid at key times, e.g. Christmas if the business is making profit. • Commission – employees earn a percentage of the products' sale value. • Share ownership scheme – the option for employees to purchase shares in the business at discounted/low prices. 	<p>10m</p> <p>5(3+2) + 5(3+2)</p>																		

QUESTION 7

<p>(A)</p>	<p>Explain the term branding and outline one advantage of branding a product.</p> <p>Branding involves creating an identity for a product/business that clearly distinguishes it from its competitors. It consists of a brand name and logo.</p> <p>Advantage of branding:</p> <ul style="list-style-type: none"> • Helps identify the product / makes it more recognisable / differentiates it from competitors' products. • Improves consumer recognition and 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>10m</p> <p>5(3+2)</p> <p>5</p>
<p>(B)</p>	<p>(i) Explain the term Product life cycle.</p> <p>The Product life cycle refers to the life span of a product. It describes the stages a product goes through from when it was first thought of until it finally is removed from the market.</p> <p>(ii) Draft and label the Product Life Cycle.</p> <p style="text-align: center;">PRODUCT LIFE CYCLE</p> <p>SALES</p>  <p style="text-align: center;">Introduction/ Launch Growth Maturity Saturation Decline</p> <p style="text-align: right;">TIME</p>	<p>20m</p> <p>5(3+2)</p> <p>Title: 1m</p> <p>Sales: 1m</p> <p>Time: 1m</p> <p>Curved Line: 2m</p> <p>Labels: (in order) 5 x 2m</p>

(C)	<p>Outline one advantage of online selling for</p> <p>(i) The Business</p> <ul style="list-style-type: none"> • Global Market – wider potential market • Reduced Costs – rent, insurance, operational costs • Online Marketing – Digital marketing • 24/7 Sales – does not miss different time zones. <p>(ii) The Consumer</p> <ul style="list-style-type: none"> • Convenience – does not have to leave home • Easier to conduct price comparisons – on different websites • Wider choice of goods/services – many firms sell online • Better Prices – global competition keeps prices down • Change of mind – goods purchased from an EU firm may be returned without reason within 14 days. 	<p>20m</p> <p>10(5+5)</p> <p>10(5+5)</p>
(D)	<p>Outline the two types of market research. Give one example of each type.</p> <p>Desk Research: Desk research involves accessing or using information that has already been gathered. It is secondary research and can be both internal and external. Desk research can provide information on competitors and consumer spending patterns. Desk research is relatively cheap, keeping business costs down, thereby ensuring a competitive business.</p> <p>Examples of desk research: the internet, internal sales reports, trade reports, Central Statistics Office publications, newspapers.</p> <p>Field research: Field research involves going into the marketplace to gather first-hand or new business information. It is primary research which is carried out by making direct contact with customers or potential customers. Field research tends to be expensive and time consuming but it does provide specific information on the behaviour of the target market.</p> <p>Examples of field research: surveys, observation, questionnaires, and customer panels.</p>	<p>15m</p> <p>8(3+3+2)</p> <p>7(3+2+2)</p>
(E)	<p>Apart from online selling, outline two ways in which developments in ICT (Information and Communications Technology) impact on a business.</p> <ul style="list-style-type: none"> • Marketing/Improved Marketing/Social media campaigns • Improvements in the design process / CAD • Fast Communication/Smartphones/Email/Videoconferencing • Secure storage and protection of information / encryption • Improved automated processes reduce staffing costs • Employees can work remotely – from home or when travelling. <p>Accept other relevant answers.</p>	<p>10m</p> <p>6(4+2)</p> <p>4(2+2)</p>

QUESTION 8		
(A)	<p>(i) Identify how many owners a partnership can have: Minimum of 2 to a maximum of 20.</p> <p>(ii) Explain the term unlimited liability. If a business fails / goes bankrupt, the shareholders will lose the amount they have invested in the business and they are fully responsible for the debts of the business. They can also be personally sued for the debts of the business. The owners' private property might have to be sold to pay for the debts if the business fails.</p>	<p>15m</p> <p>3</p> <p>12(6+6)</p>
(B)	<p>Billy and Bobby's Boutique Coffee uses a batch production process.</p> <p>(i) List two other methods of production.</p> <ul style="list-style-type: none"> • Job Production • Mass Production <p>(ii) Outline two features of any <u>one</u> of these methods of production.</p> <p>Job Production: Firm produces one-off goods to order – high quality expensive goods – employees are highly skilled – machinery/equipment used is expensive – high cost of production per unit. <i>e.g.</i> hand-crafted furniture, tailored suits, cruise liners.</p> <p>Mass Production: Firms manufacture large numbers of an identical/standardised product in a continuously moving and highly automated process. high capital expenditure on machinery and assembly line – continuous production leads to high storage requirements – goods must have high demand to justify production – less labour required (skilled or semi-skilled) due to high dependence on automation – economies of scale. <i>e.g.</i> cars, computers, iPads, tins of beans.</p>	<p>20m</p> <p>10(5+5)</p> <p>10(5+5)</p>
(C)	<p>Explain two benefits of setting up your own business.</p> <ul style="list-style-type: none"> • Profits – As the sole owner, the sole trader keeps all the profit after taxes are paid. • Decisions – owner makes all the decisions and they can be made quickly. • Control – full control over the business. Control is not diluted/shared. • Formation/Set up – relatively easy to set up as a sole trader. • Owning a business give a sense of prestige and increased self-esteem. 	<p>15m</p> <p>8(4+4)</p> <p>7(4+3)</p>

<p>(D)</p>	<p>Illustrate, using a diagram, one channel of distribution used by Billy and Bobby's Boutique Coffee.</p> <p>CAFES:</p> <p style="text-align: center;"> MANUFACTURER ↓ RETAILER ↓ CONSUMER </p> <p>ONLINE:</p> <p style="text-align: center;"> MANUFACTURER ↓ CONSUMER </p>	<p>10m</p> <p>10 (5@2m)</p> <p>or (4+2+4)</p>
<p>(E)</p>	<p>Describe two sales promotions that Billy and Bobby's Boutique Coffee could offer consumers to increase sales.</p> <ul style="list-style-type: none"> • Price reduction/discounts – Billy and Bobby's Boutique Coffee could offer 20% reduction on slow trade days e.g. Monday. • Buy one get one free – Billy and Bobby's Boutique Coffee could offer a free coffee for every coffee purchased or three for the price of two. • Free samples – Billy and Bobby could offer small samples at events. • Money off coupon for next purchase – Billy and Bobby could offer vouchers that allowed a person €1 off their next purchase. • Loyalty Cards – Billy and Bobby's Boutique Coffee could offer a free coffee for every ten coffees purchased. • Competitions - Billy and Bobby's Boutique Coffee could run competitions to win prizes via social media. 	<p>15m</p> <p>8(4+4)</p> <p>+</p> <p>7(4+3)</p>



Coimisiún na Scrúduithe Stáit

Marcanna Breise as ucht freagairt trí Ghaeilge

Léiríonn an tábla thíos an méid marcanna breise ba chóir a bhronnadh ar iarrthóirí a ghnóthaíonn níos mó ná 75% d'iomlán na marcanna.

N.B. Ba chóir marcanna de réir an ghnáthráta a bhronnadh ar iarrthóirí nach ghnóthaíonn níos mó ná 75% d'iomlán na marcanna don scrúdú. Ba chóir freisin an marc bónais sin **a shlánú síos**.

Tábla 400 @ 10%

Bain úsáid as an tábla seo i gcás na n-ábhar a bhfuil 400 marc san iomlán ag gabháil leo agus inarb é 10% gnáthráta an bhónais.

Bain úsáid as an ngnáthráta i gcás 300 marc agus faoina bhun sin. Os cionn an mharc sin, féach an tábla thíos.

Bunmharc	Marc Bónais
301 - 303	29
304 - 306	28
307 - 310	27
311 - 313	26
314 - 316	25
317 - 320	24
321 - 323	23
324 - 326	22
327 - 330	21
331 - 333	20
334 - 336	19
337 - 340	18
341 - 343	17
344 - 346	16
347 - 350	15

Bunmharc	Marc Bónais
351 - 353	14
354 - 356	13
357 - 360	12
361 - 363	11
364 - 366	10
367 - 370	9
371 - 373	8
374 - 376	7
377 - 380	6
381 - 383	5
384 - 386	4
387 - 390	3
391 - 393	2
394 - 396	1
397 - 400	0

Blank Page

Blank Page

