

**LEAVING CERTIFICATE BUSINESS ORDINARY LEVEL 2006
MARKING SCHEME**

SECTION 1 (100 marks)

Answer 10 questions. Each question carries 10 marks.

Question	Scheme	
1.	(i) 4 @ 1 mark each (ii) 3 @ 1 mark each (iii) 3 @ 1 mark each	10
2.	5 m + 5 m	10
3.	4 m + 3 m + 3 m	10
4.	3 m + 3 m + 2 m + 2 m	10
5.	3 m + 3 m + 2 m + 2 m	10
6.	6 m (Headings) + 2 m + 2 m	10
7.	4 m + 3 m + 3 m	10
8.	5 @ 2 marks each	10
9.	(i) 2 m + 2 m + 2 m (ii) 4 m	10
10.	4 m + 3 m + 3 m	10
11.	4 m + 3 m + 3 m	10
12.	10 marks or 2 points @ 5 marks	10
13.	2 points @ 5 marks (3 + 2)	10
14.	3 m + 3 m + 2 m + 2 m	10
15.	4 m + 3 m + 3 m	10
Section 1	Available Marks	100

SECTION 2

300 (marks)

PART 1

MINIMUM 1 QUESTION (75 marks)

MAXIMUM 2 QUESTIONS (150 marks)

PEOPLE IN BUSINESS

QUESTION 1

(A)	(i) Two words + date	4 m + 3 m + 3 m	10
	(ii) Two possible remedies	2 x 10 m	20
	(iii) Three functions of DCA	3 x 5 m	15
(B)	(i) Definition	10 m or (2 x 5 m)	10
	(ii) Two explanations	2 x 10 m	20
	Available marks		75

DOMESTIC ENVIRONMENT

QUESTION 2

(A)	Four factors of production + explanations	4 x 5 m (3 name + 2 expl.)	20
(B)	Importance of 'primary sector'	3 x 5 m	15
(C)	Services sector – explanation Two examples	5 m 2 x 5 m	15
(D)	Two benefits – 'services sector'	2 x 5 m	10
(E)	(i) Two state-owned enterprises	2 x 5 m	15
	(ii) Two disadvantages	3 m + 2 m	
	Available marks		75

DOMESTIC / INTERNATIONAL ENVIRONMENT

QUESTION 3

(A)	(i) Inflation – explanation (ii) Low inflation – Two benefits	10 m or (2 x 5 m) 5 m + 5 m	20
(B)	Three benefits of the EU – outline	7 m + 7 m + 6 m	20
(C)	Three environmental issues – describe	5 m + 5 m + 5 m	15
(D)	Three challenges in international trade	7 m + 7 m + 6 m	20
	Available marks		75

PART 2

MINIMUM - 2 QUESTIONS (150 marks)

MAXIMUM - 3 QUESTIONS (225 marks)

MANAGING

QUESTION 4

(A)	Terms - 3 explanations	3 x 5 m (3 + 2)	15
(B)	Three benefits of teamwork	3 x 5 m (3 + 2)	15
(C)	Two functions of HRM - explain	13 m (7 + 6) + 12 m (6 + 6)	25
(D)	Three barriers to effective communication - explain	7 m + 7 m + 6m	20
	Available marks		75

MANAGING

QUESTION 5

(A)	Two methods to raise funds	2 x 5 m	10
(B)	Notice AGM, Date, Time, Venue Signature of Secretary Agenda (5 items)	4 x 2 m 2 m 5 x 3 m	25
(C)	Two duties - Chairperson Two duties - Secretary	2 x 5 m 2 x 5 m	20
(D)	(i) Three advantages of meetings (ii) Quorum - explain	3 x 5 m 5 m	20
	Available marks		75

MANAGING / BUSINESS IN ACTION

QUESTION 6

(A)	Four factors – loan application (outline)	4 x 5 m	20
(B)	Three methods of advertising (describe)	3 x 5 m (3 + 2)	15
(C)	(i) Partnership (explain) (ii) Two benefits of a partnership	7 m (4 + 3) 8 m (4 + 4)	15
(D)	Four types of insurance policies Reason for each one	4m + 4m + 4m + 4m 3m + 2m + 2m + 2m	25
	Available marks		75

BUSINESS IN ACTION

QUESTION 7

(A)	Definition of marketing	10 m or (2 x 5 m)	10
(B)	(i) List the 4Ps (ii) Explain one element of the marketing mix	4 x 4 m 2 points (5 + 4)	25
(C)	Three sources of new product/service ideas	3 x 5 m	15
(D)	(i) Two examples of well-known brand names (ii) Two benefits - brand name to a business (outline)	4 m + 4 m 4 m + 3 m	15
(E)	Market segmentation (explain) Relevant example	5 m 5 m	10
	Available marks		75

ENTERPRISE / MANAGING / BUSINESS IN ACTION

QUESTION 8

(A)	(i) Two items: 'Receipts' (ii) Three items: 'Payments'	3 m + 3 m 3 m + 3 m + 3 m	15
(B)	Channel of Distribution (describe)	3 names x 4 m + link (2 + 1)	15
(C)	Credit control (explain)	15 m (8 + 7)	15
(D)	Two strengths of Buckley Ltd.	8 m + 7 m	15
(E)	Two reasons for a household budget	8 m + 7 m	15
	Available marks		75

LEAVING CERTIFICATE 2006

BUSINESS ORDINARY LEVEL

EXPLANATORY SUPPORT NOTES

- All explanatory notes enclosed are not exhaustively or definitively complete.
- They are not model answers.
- It is important to realise that in some cases there will be other correct answers which are acceptable.
- Further appropriate points of information, descriptions, elaborations etc. presented by candidates must be examined and rewarded on their merits by the examiners.

SECTION 1 100 marks

1.	(i) Strengths, Weaknesses, Opportunities, Threats (ii) Value Added Tax (iii) World Wide Web												
2.	(i) Purpose of Claim form (outline): to give details of loss incurred to the insurer in order to receive compensation (ii) Purpose of Policy (outline): to set out the terms of the insurance contract between the insurer and the insured												
3.	Three management activities: Planning, Organising, Controlling												
4.	Two reasons for <u>unfair</u> dismissal (outline): Race, pregnancy, membership of travelling community, trade union membership, sexual orientation, political or religious beliefs. Two reasons for <u>fair</u> dismissal (outline): Incompetence, misconduct, qualifications, redundancy.												
5.	Product Life Cycle – Four missing stages: Introduction Growth Maturity Decline												
6.	Memorandum To: All staff From: Phil Doyle, Human Resources Manager Date: 14 June 2006 Re: Monthly review meeting This is to remind all staff that the next monthly review meeting will be held on the 27 th June 2006. Signed: <i>Phil Doyle</i> Title: Human Resources Manager												
7.	Three institutions of the European Union: (i) The European Parliament (ii) The Council of Ministers (iii) The European Commission (iv) European Court of Justice (v) Court of Auditors.												
8.	<table border="1"> <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> <td style="text-align: center;">6</td> </tr> <tr> <td style="text-align: center;">E</td> <td style="text-align: center;">B</td> <td style="text-align: center;">D</td> <td style="text-align: center;">C</td> <td style="text-align: center;">G</td> <td style="text-align: center;">A</td> </tr> </table>	1	2	3	4	5	6	E	B	D	C	G	A
1	2	3	4	5	6								
E	B	D	C	G	A								
9.	(i) $\frac{€68,400 \times 12.5}{100} = €8,550$ (ii) Corporation Tax												

10.	Three examples of sales promotion: <ul style="list-style-type: none"> (i) Special Offers (ii) Free goods with bulk orders (iii) Free samples (iv) Competitions (v) Buy one get one free, etc.
11.	Three features of a sole trader (describe): <ul style="list-style-type: none"> ▪ One person owns and runs the business ▪ Owner makes all the decisions – complete control ▪ Owner keeps all the profits ▪ Easily set up – few regulations ▪ Unlimited liability ▪ Lack of continuity ▪ Owner bears all the risks
12.	Span of Control (explain): the number of subordinates who report directly to a manager or supervisor above them.
13.	ICT – Two opportunities to business (outline): <ul style="list-style-type: none"> (i) Internet (ii) E-mail (iii) E-commerce (iv) Software applications (v) Video-conferencing (vi) Tele-working, etc.
14.	New product/service development process – Four missing stages: <ul style="list-style-type: none"> Product/Service screening Concept development Feasibility study Prototype development.
15.	Export (explain) – goods/services sold to other countries Two examples – food, beverages, pharmaceutical products, etc.

SECTION 2**PART 1****QUESTION 1**

(A)	<p>(i) The Consumer Information Act 1978</p> <p>(ii) Two possible remedies (outline)</p> <ul style="list-style-type: none">▪ Compensation/partial refund▪ Another holiday/vouchers for holiday. <p>(iii) Director of Consumer Affairs - three functions (explain)</p> <ul style="list-style-type: none">▪ Inform consumers of their rights▪ Investigate complaints▪ Promote high standards in advertising▪ Ensure that consumers are protected▪ Order that an advertisement be changed or withdrawn if it is found to be misleading or false▪ Prosecute offenders who make false or misleading claims/descriptions.
(B)	<p>(i) A contract is a legally binding agreement between two or more parties.</p> <p>(ii) Two of the elements underlined (explain): Offer, Acceptance, Consideration, Capacity and Intention to Contract.</p>

QUESTION 2

(A)	Four factors of production (list and explain) Land Labour Capital Enterprise.
(B)	Importance of 'primary sector' (outline) (i) Exporting e.g. agriculture (ii) Reduction in imports e.g. forestry (iii) Employment (iv) Development of natural resources (v) Specialisation.
(C)	'Services sector' (explain) - the services sector provides services to individuals and to other industries/businesses. Two examples – financial, transport, leisure, retailing, tourism, communication, professional, educational, etc.
(D)	Two benefits of a growing 'services sector' for the Irish economy (i) Employment (ii) Tax revenue for the Government (iii) Increase in tourism – help Balance of Payments (iv) Irish service firms can trade internationally, etc.
(E)	(i) Two state-owned enterprises - Enterprise Ireland, Údarás na Gaeltachta, IDA Ireland, etc. (ii) Two disadvantages of state-owned enterprises (outline) - monopolies - lack of efficiency - unwillingness to take risks, etc.

QUESTION 3

(A)	<p>(i) Inflation - an increase in the general level of prices of goods and services from one year to the next. It is expressed in percentage terms.</p> <p>(ii) Two benefits of low inflation (outline)</p> <ul style="list-style-type: none"> - more competitive in international trade - costs and wages will be more stable - higher consumer expenditure increasing sales and profits - lower wage demands.
(B)	<p>Three benefits of the European Union for Irish business (outline)</p> <ul style="list-style-type: none"> ▪ Large market available to Irish firms for exporting/expansion ▪ Economies of scale ▪ Free trade – free movement of goods and services ▪ Free movement of capital and labour ▪ Public procurement.
(C)	<p>Three environmental issues affecting business (describe)</p> <ul style="list-style-type: none"> ▪ Pollution - different types ▪ Compliance with Planning laws, etc. ▪ Environmental Impact Studies ▪ Illegal dumping/waste disposal ▪ Consultation with local community groups and environmental bodies, etc.
(D)	<p>Three challenges faced by Irish business engaged in international trade (discuss)</p> <ul style="list-style-type: none"> ▪ Competition ▪ Establishing a global brand name ▪ Payment difficulties ▪ High cost base ▪ Different cultures, customs, standards, regulations ▪ Language differences ▪ Exchange rate fluctuations, etc.

SECTION 2

PART 2

QUESTION 4

(A)	<p>Terms (explain)</p> <ul style="list-style-type: none"> (i) CV - Curriculum Vitae and further detail (ii) Benefits-in-kind – non-monetary rewards given to employees e.g. gym membership, subsidised canteen, etc. (iii) Equal opportunities – all applicants will be treated equally regardless of gender, race, religion, etc. - no discrimination.
(B)	<p>Three benefits of teamwork to an organisation (outline)</p> <ul style="list-style-type: none"> ▪ Motivation ▪ Greater effort by team members ▪ Recognition is given for everyone’s achievements ▪ More ideas and solutions ▪ Support – shared responsibility ▪ Same direction, objectives and targets.
(C)	<p>Two functions of a Human Resources Manager (explain)</p> <p>(i) Recruitment and Selection The process of attracting suitable candidates to apply for vacancies in a firm and of selecting the most suitable candidate. Involves job description, person specification, advertising, screening, interviews/tests, etc.</p> <p>(ii) Training/Development Training involves supplying the skills, knowledge and attitudes needed by employees to do their jobs better. Types: Induction, On-the-job, Off-the-job. Development involves preparing the employees to take on more responsibility and new challenges in the workplace. Includes: certificate/diploma/degree/post-grad courses, management courses, etc.</p> <p>(iii) Performance Appraisal The process of reviewing the performance of an employee. Involves meetings between manager and employee to examine performance, discuss progress, set new targets/objectives, discuss training and development needs and decide pay and rewards.</p>
(D)	<p>Three barriers to effective communication (identify and explain)</p> <ul style="list-style-type: none"> Not listening Relationships between people Wrong method Timing No feedback Language used, etc.

QUESTION 5

(A)	<p>Two methods the club could use to improve its financial position (describe)</p> <ul style="list-style-type: none"> Increase subscription fees Increase membership Fundraising through competitions, events Apply for National Lottery funding Renting of grounds for events e.g. concerts, etc.
(B)	<p>Notice and Agenda for Glenmore Football Club</p> <p>Notice is hereby given that the 15th Annual General Meeting of the Club will take place on 10th June 2006 at 8.00 p.m. in the Clubhouse.</p> <p>Agenda:</p> <ol style="list-style-type: none"> 1. Minutes of the last Annual General Meeting 2. Matters arising from the minutes 3. Chairperson's report 4. Treasurer's report – financial position of club 5. Fundraising for club 6. Election of new officers 7. Building Programme 8. A.O.B. <p>Alice Williams Secretary</p>
(C)	<p>Two duties of a Chairperson at an AGM (outline)</p> <ol style="list-style-type: none"> (i) Open the meeting and ensure that there is a quorum (ii) Keep order at the meeting (iii) Ensure that the agenda is followed (iv) Run the meeting in an orderly way ensuring compliance with the standing orders (v) Make sure that everybody gets a chance to participate (vi) Ensure that voting is carried out properly and announce results (vii) Chairperson may have casting vote in the event of a tie. <p>Two duties of a Secretary at an AGM (outline)</p> <ol style="list-style-type: none"> (i) Ensure that all who are entitled to attend have received the Notice and Agenda in advance of the meeting (ii) Ensure all facilities are arranged and all necessary documentation is available (iii) Read the minutes of the last meeting (iv) Read out any correspondence (v) Take notes of discussions and decisions and write up the minutes after the meeting.
(D)	<ol style="list-style-type: none"> (i) Three advantages of meetings (explain) <ol style="list-style-type: none"> a) Allow people to exchange ideas and information b) Allow decisions to be made by voting on proposals c) Problems can be discussed and solutions put forward d) People can report findings, etc. to other participants e) Allows for face-to-face communication – instant response (ii) Quorum (explain) – the minimum number of people who must attend before the meeting can commence.

QUESTION 6

(A)	<p>Four factors that a bank would take into account when deciding on whether to grant a loan (outline)</p> <ul style="list-style-type: none"> (i) Ability to repay (ii) Credit Rating/history (iii) Details of owners + management (iv) Collateral/Security for the loan (v) Profitability (vi) Purpose of the loan (vii) Business plan (viii) Duration of the loan, etc.
(B)	<p>Three methods of advertising (describe)</p> <ul style="list-style-type: none"> (i) Radio (ii) Newspapers (iii) Flyers (iv) Direct mail (v) Internet (vi) Magazines (vii) Television (viii) Cinema (ix) Transport, etc.
(C)	<ul style="list-style-type: none"> (i) Partnership (explain) - a business which is owned by between two and twenty people in order to make a profit. (ii) Two benefits of a partnership as a type of business organisation <ul style="list-style-type: none"> ▪ Shared risk ▪ Shared responsibility and decision making ▪ Different talents and expertise ▪ Relatively easy and inexpensive to form ▪ More capital, etc.
(D)	<p>Four types of insurance policies (describe <u>and</u> a reason for each one)</p> <ul style="list-style-type: none"> ▪ Employers' Liability ▪ Public Liability ▪ Fire and Theft ▪ Burglary ▪ Cash in transit ▪ Vehicle insurance ▪ Key person insurance, etc.

QUESTION 7

(A)	Define marketing. The process by which a business identifies and anticipates consumer needs and produces goods or supplies services to satisfy those needs profitably.
(B)	<p>(i) List the elements of the marketing mix (4Ps)</p> <p style="text-align: center;">Product, Place, Price, Promotion</p> <p>(ii) Explain one of these elements</p> <p><u>Product</u>: design, brand name, packaging, product life cycle, USP, trademarks, patents, product mix, etc.</p> <p><u>Place</u>: channels of distribution, chain of distribution, retailer, wholesaler, transport, delivery methods, etc.</p> <p><u>Price</u>: factors which determine price e.g. cost of production, competition, discounts, pricing strategies, break-even chart, target market, etc.</p> <p><u>Promotion</u>: Advertising types + media, Sales Promotion, Public Relations, Personal Selling, Merchandising, etc.</p>
(C)	<p>Three sources of new product/service ideas (explain)</p> <ul style="list-style-type: none"> (i) Market research (ii) Family, friends (iii) Foreign travel (iv) Personal interests, hobbies, skills (v) Government agencies (vi) Competition, copying other business (vii) Internet, etc.
(D)	<ul style="list-style-type: none"> (i) Two examples of well-known brand names (ii) Two benefits a brand name can give to a business (outline) <ul style="list-style-type: none"> ▪ identifies the product ▪ product differentiation ▪ easier product selection ▪ allows new products to be launched, etc.
(E)	Market segmentation (explain) - groups of people within a market who have similar needs Relevant example – car manufacturer.

QUESTION 8

(A)	<p>(i) Two items: Receipts – Cash Sales, Debtors, etc.</p> <p>(ii) Three items: Payments – Purchases, Creditors, Wages, etc.</p>
(B)	<p>Suitable Channel of Distribution (describe)</p> <div style="text-align: center; margin-top: 10px;"> <pre> Producer → Retailer → Consumer Producer → Wholesaler → Retailer → Consumer </pre> </div>
(C)	<p>Credit Control (explain) - controlling the amount of credit and payment period given to customers and ensuring that payments are made on time, etc.</p>
(D)	<p>Two strengths of Buckley Ltd.</p> <ul style="list-style-type: none"> ▪ Well established business – tradition ▪ Customer loyalty ▪ Catering for different markets ▪ One month's credit to major customers.
(E)	<p>Two reasons why household would prepare a budget (explain)</p> <ul style="list-style-type: none"> ▪ identify times of high expenditure ▪ identify future cash needs ▪ to use future cash surpluses to the firm's best advantage ▪ to arrange an overdraft if required ▪ to save for future expenditure, etc.

