

Coimisiún na Scrúduithe Stáit
State Examinations Commission

LEAVING CERTIFICATE 2008

MARKING SCHEME

BUSINESS

ORDINARY LEVEL



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**LEAVING CERTIFICATE BUSINESS ORDINARY LEVEL 2008
MARKING SCHEME**

SECTION 1 (100 marks)

Answer 10 questions. Each question carries 10 marks.

Question	Marking Scheme	
1.	(i) 3 @ 1 mark each (ii) 3 @ 1 mark each (iii) 2 @ 1 mark each (iv) 2 @ 1 mark each	10
2.	Three elements:4 m + 3 m + 3 m	10
3.	Two characteristics:@ 5 m	10
4.	5m+ 5m	10
5.	Five items @ 2m each	10
6.	Two reasons @ 3m Two examples @ 2 m	10
7.	Explanation 5m Example 5m	10
8.	5 @ 2 marks each	10
9.	Two rights:5m + 5m	10
10.	Explanation:10 m (or 5m + 5m)	10
11.	5 m + 5 m	10
12.	2 m + 2 m + 2 m + 2 m + 2 m	10
13.	Four names:3 m + 3 m + 2 m + 2 m	10
14.	Explanation:10 m (or 5m + 5m)	10
15.	Two benefits:5m + 5m	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) Four words +date	5 x 2 m	10
	(ii) Legal rights/duties (at least one of each)	4 x 5 m	20
	(iii) Two advantages of Small Claims Court	2 x 5 m	10
(B)	(i) Three reasons/causes of trade disputes	7m+7m+6m	20
	(ii) Two functions of a Trade Union	8m+7m	15
	Available marks		75

DOMESTIC ENVIRONMENT

QUESTION 2

(A)	Three benefits – construction industry to Irish economy.	3 x 5 m	15
(B)	Two challenges - facing manufacturing industry in Ireland	8 m + 7 m	15
(C)	(i) Explanation	5 m	20
	(ii) Two services	8 m + 7 m	
(D)	(i) Explanation	10m (5m+5m)	25
	(ii) Three advantages	3 x 5 m	
	Available marks		75

DOMESTIC / INTERNATIONAL ENVIRONMENT

QUESTION 3

(A)	Three advantages - EU membership	3 x 5 m	15
(B)	(i) Two names	7 m + 7 m 6 m	20
	(ii) Role of one		
(C)	Two effects – rising unemployment on Irish economy	2 x 10m	20
(D)	Two ways + Two examples	2 x 10m (5m+5m)	20
	Available marks		75

PART 2

MINIMUM - 2 QUESTIONS (150 marks)

MAXIMUM - 3 QUESTIONS (225 marks)

MANAGING

QUESTION 4

(A)	Four policies – appropriate to a factory	4 @ 5 m	20
(B)	Three ways to reduce risks	7m + 7m + 6m	20
(C)	Name & Explain two documents – commonly used in insurance	8 m + 7 m	15
(D)	Three principles: Explain + example	7 m + 7 m + 6m (4+3)(4+3)(3+3)	20
	Available marks		75

ENTERPRISE/MANAGING/BUSINESS IN ACTION

QUESTION 5

(A)	Two risks Two rewards	2x5m 2x5m	20
(B)	Three sources of new business ideas	3 x 5 m	15
(C)	Three methods of recruiting employees	3 x 5 m	15
(D)	Two taxes	2 x 5 m	10
(E)	Two names - long term sources of finance Explanation of one	2 x 5 m 5 m	15
	Available marks		75

MANAGING

QUESTION 6

(A)	Memo ,Structure Message	6 x 2 m 3m	15
(B)	Three methods - of internal communication	3 x 5 m	15
(C)	Three factors- affecting choice of communication methods	7m + 7m + 6m	20
(D)	Two advantages	2 x 5 m	10
(E)	Two explanations	8 m + 7 m	15
	Available marks		75

MANAGING

QUESTION 7

(A)	Three items bank would require for Business Loan application	3 x 5 m	15
(B)	Two reasons for cash flow statement	2 x 5 m	10
(C)	Explanation Bank Overdraft	10 m (5m+5m)	10
(D)	(i) Two items (ii) WCR Formula Calculations Trend	8 m + 7 m 1 @ 3 m 6 @ 3 m 1 @ 4 m	15 25
	Available marks		75

ENTERPRISE / MANAGING / BUSINESS IN ACTION

QUESTION 8

(A)	Three names Explanation of one	3 x 5 m 5 m	20
(B)	(i) Three methods + One advantage of each (ii) Three functions – of advertising	3 @ 5 m 3 x 5 m	15 15
(C)	Draft & Label Product Life Cycle 5 stages	5 x 3 m	15
(D)	Two examples of PR	2 x 5 m	10
	Available marks		75

LEAVING CERTIFICATE 2008

**BUSINESS ORDINARY LEVEL
SUPPORT NOTES**

- The support notes enclosed are not exclusive or definitive.
- They are not model answers.
- In some cases there will be other correct answers which are acceptable.
- Further appropriate points of information, descriptions, elaborations etc. 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.

SECTION 1 100 marks

Answer 10 questions. Each question carries 10 marks.

<p>1</p>	<p>Letters (i) PLC: Public Limited Company (ii) AGM: Annual General Meeting (iii) R & D: Research & Development (iv) MD: Managing Director</p>																			
<p>2</p>	<p>Three elements of a valid contract Offer, acceptance, consideration, intention to contract, capacity to contract, consent to contract, legality of form</p>																			
<p>3</p>	<p>Two characteristics/skills of an entrepreneur – outline required Innovation, risk-taking, decision making, flexibility, good communications/human relations, realistic, motivated, leadership, identifying opportunities, inner control, confidence, motivation, etc.</p>																			
<p>4</p>	<p>Gross Pay and Net Pay Gross Pay = Total Pay before deductions Net Pay = Gross Pay – Deductions (PAYE, PRSI, etc.)</p>																			
<p>5</p>	<p align="center">O'Malley Furniture Ltd</p> <table border="1"> <caption>Estimated data for O'Malley Furniture Ltd</caption> <thead> <tr> <th>Year</th> <th>Wage (€)</th> <th>Costs (€)</th> </tr> </thead> <tbody> <tr> <td>2003</td> <td>150,000</td> <td>150,000</td> </tr> <tr> <td>2004</td> <td>160,000</td> <td>160,000</td> </tr> <tr> <td>2005</td> <td>180,000</td> <td>180,000</td> </tr> <tr> <td>2006</td> <td>200,000</td> <td>200,000</td> </tr> <tr> <td>2007</td> <td>190,000</td> <td>190,000</td> </tr> </tbody> </table>	Year	Wage (€)	Costs (€)	2003	150,000	150,000	2004	160,000	160,000	2005	180,000	180,000	2006	200,000	200,000	2007	190,000	190,000	
Year	Wage (€)	Costs (€)																		
2003	150,000	150,000																		
2004	160,000	160,000																		
2005	180,000	180,000																		
2006	200,000	200,000																		
2007	190,000	190,000																		
<p>6</p>	<p>Two reasons for imports – outline required (i) Lack of raw materials in Ireland for industry (ii) Finished goods not produced here (iii) Unsuitable climate for certain foods (iv) Choice and variety for consumers</p> <p>Two examples Oil, cars, fruit, foods etc</p>																			
<p>7</p>	<p>Target market A target market is the group of people at whom a particular product/service is aimed. A target market may be characterised by age, income level, gender, location, lifestyle, etc. One valid example – e.g. Irish Farmers' Journal for farmers</p>																			

8	<p>True or False</p> <p>(i) False (ii) True (iii) True (iv) False (v) True</p>	
9	<p>Data Protection Act 1988</p> <p>Two rights – Data subjects – outline required</p> <p>(i) Right of access – data subjects have the right to get a copy of the information within 40 days of requesting it</p> <p>(ii) Errors to be corrected</p> <p>(iii) They can have their name removed from a direct marketing list</p> <p>(iv) They can complain to the Data Protection Commissioner</p> <p>Data subjects can claim compensation in the courts if they have suffered as a result of misuse of information held on computer.</p>	
10	<p>Induction training</p> <p>The training received by new employees to help them in the workplace. It may include Health and Safety training, the organisation's rules and code of ethics, introduction to co-workers and management, etc.</p>	
11	<p>One social responsibility of a business – outline required</p> <p>(i) Local Community – no pollution, consultation, etc.</p> <p>(ii) Suppliers – pay on time, no exploitation, etc.</p>	
12	<p>SWOT analysis</p> <p>This is an analysis of the present position of a business and is usually done before drawing up a business plan</p> <p>Strengths Weaknesses Opportunities Threats</p>	
13	<p>One state-owned enterprise/state agency</p> <p>Production – ESB, Bord na Móna, Coillte, Bord Gáis</p> <p>Transport – Iarnród Éireann, Bus Éireann, DART</p> <p>Training – FÁS, Cert, Teagasc</p> <p>Marketing – Fáilte Ireland, Bord Bia, Bord Iascaigh Mhara Irish Export Board</p>	
14	<p>Global marketing</p> <p>Means marketing a product worldwide with either a standardised marketing mix or an adapted marketing mix to take account of differences in different markets. A global business sees the whole world as its market and produces a product for that market.</p>	
15	<p>Two benefits of teamwork – outline required</p> <p>Sharing of new ideas Sharing of responsibility Greater motivation</p>	

SECTION 2**TOTAL AVAILABLE MARKS 300**

	SECTION 2	PART 1
MINIMUM	1 QUESTION	75 MARKS
MAXIMUM	2 QUESTIONS	150 MARKS

Question 1 People in Business

1 (A)	<p>(i) Consumer law Sale of Goods and Supply of Services Act 1980</p>	
	<p>(ii) Legal rights and duties Martina's legal rights – Goods should be of merchantable quality Goods should be fit for the purpose intended Entitled to refund/replacement/repair Duties of Reilly's Footwear Ltd – (at least one) The seller is responsible for putting things right Should sell goods of merchantable quality Should sell goods that are fit for their purpose Should provide redress for the consumer (refund/replacement/repair)</p> <ul style="list-style-type: none"> • Repetition not rewarded 	
	<p>(iii) Two advantages of using the Small Claims Court</p> <ul style="list-style-type: none"> • Provides a quick solution to consumer claims • Very accessible to people – District Court • Not expensive • No solicitors • Will get unbiased and fair judgement 	
1 (B)	<p>(i) Three reasons/causes of trade disputes</p> <ul style="list-style-type: none"> • Wages/rewards • New work practices • Dismissal /Unfair Dismissal • Working conditions • Discrimination • Demarcation etc. 	
	<p>(ii) Two functions of a Trade Union</p> <ul style="list-style-type: none"> • Protection of workers' rights • Seek better pay/conditions for members • Represent members in negotiations with employers/Government • Represent members in trade disputes • Services e.g. credit union, insurance schemes. 	

Question 2 Domestic Environment

<p>2 (A)</p>	<p>Three benefits of growth in construction industry – outline required</p> <ul style="list-style-type: none"> (i) Increased employment (ii) Spin-off effects e.g. retail furniture, etc. (iii) Increased consumer expenditure (iv) Increased Revenue for Government (v) Improved infrastructure (NDP) 	
<p>2 (B)</p>	<p>Two challenges faced by manufacturing industries</p> <ul style="list-style-type: none"> (i) Increased fuel/energy costs (ii) High wages (iii) Increased competition from low wage economies (iv) Increased transport/distribution costs 	
<p>2 (C)</p>	<ul style="list-style-type: none"> (i) Credit Union A financial co-operative set up and owned by members (ii) Two services <ul style="list-style-type: none"> • Loans • Savings Accounts • Insurance schemes for members 	
<p>2 (D)</p>	<p>Partnership</p> <ul style="list-style-type: none"> (i) A partnership is when between 2 and 20 people form a business together in order to make a profit. (ii) Three advantages <ul style="list-style-type: none"> • Risks are shared • More capital • Different experience/expertise of partners • Easy to form • Accounts are confidential 	

Question 3 Domestic / International Environment

<p>3 (A)</p>	<p>Three advantages to Irish business of European Union membership – outline required</p> <ul style="list-style-type: none"> (i) Large market available to Irish firms for exporting/expansion (ii) Economies of scale can be achieved through expansion (iii) Free trade – free movement of goods and services (iv) Free movement of capital and labour (v) Public procurement – public contracts in the EU (vi) EU grants and subsidies (vii) Common Currency 	
<p>3 (B)</p>	<p>EU institutions</p> <ul style="list-style-type: none"> (i) Two EU institutions (ii) Role of one to be explained <p>European Parliament</p> <ul style="list-style-type: none"> -Only body directly elected by EU citizens -Discuss new laws and proposes amendments -Approves the annual EU budget and monitors spending -Can question EU Commissioners and approve/reject their appointment <p>European Commission</p> <ul style="list-style-type: none"> -Must act in the best interests of the EU and independently of member governments -Brings forward proposals for new laws -Enforces existing legislation -Implements agreed policies of the EU <p>Council of Ministers</p> <ul style="list-style-type: none"> -Made up of a Minister from each member state -Main decision making body of the EU -Decide on legislation -Set objectives for EU <p>Court of Auditors</p> <ul style="list-style-type: none"> -Checks that the EU budget is spent according to the regulations of the EU and the purposes intended <p>Court of Justice</p> <ul style="list-style-type: none"> -An independent court which supervises the implementation of agreements -Ensures that member countries interpret community information correctly -Hears cases brought before them <p>European Central Bank</p> <ul style="list-style-type: none"> -Responsible for Monetary Policy of EU -Manages the Euro currency system 	

3 (C)	Two effects of rising unemployment – outline required (i) More social welfare to be paid by Government (ii) Government revenue decreases - PAYE, VAT (iii) Decrease in consumer expenditure (iv) Possibly higher taxes	
3 (D)	Two ways, using examples, in which IT helps Irish firms involved in international trade – outline required (i) Marketing and access to global markets – Internet/websites (ii) Instant communication – e-mails, mobiles (iii) Market research – Internet (iv) Facilitates transfer of information – fax, video-conferencing (v) Cost reduction – video conferencing (vi) E D I (vii) E Commerce	

SECTION 2 PART 2
MINIMUM 2 QUESTIONS 150 MARKS
MAXIMUM 3 QUESTIONS 225 MARKS

Question 4 Managing

4 (A)	<p>Four types of insurance policies for a factory – outline required</p> <ul style="list-style-type: none"> (i) Public Liability Insurance (ii) Employer’s Liability (iii) Fidelity Guarantee (iv) Burglary /Theft (v) Buildings and Contents (vi) Consequential Loss (vii) Cash insurance/ Cash in Transit (viii) Fire Insurance (ix) PRSI (x) Motor (xi) Stock etc 	
4 (B)	<p>Three ways a factory manager can reduce risk – outline required</p> <ul style="list-style-type: none"> (i) Health and Safety training for staff (ii) Security alarms,Locks (iii) Fire alarms, sprinkler system (iv) CCTV,Security Guards (v) Minimum cash held on premises (vi) Safety clothing, etc. 	
4 (C)	<p>Two documents commonly used in insurance</p> <ul style="list-style-type: none"> (i) Proposal Form - application for insurance (ii) Claim form – to apply for compensation (iii) Policy – contains details and terms of the insurance agreement (iv) Certificate of Insurance 	
4 (D)	<p>Three principles of insurance</p> <ul style="list-style-type: none"> (i) Insurable Interest – a person can only insure something where they benefit from its existence and would suffer from its loss or damage (ii) Utmost Good Faith – the insured must disclose all material facts to the insurer. A material fact is anything which would affect the level of risk the insurer is being asked to cover or the premium charged (iii) Indemnity – the insured cannot make a profit out of insurance and the compensation received must equal the amount of loss suffered. <p>One example required to illustrate each principle</p>	

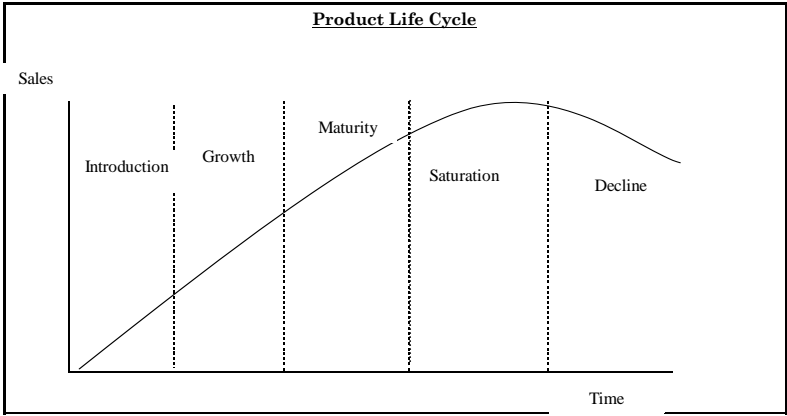
Question 5 Enterprise / Managing / Business in Action

<p>5 (A)</p>	<p>Risks and rewards for Sinéad if she sets up her own business</p> <p>Two risks</p> <ul style="list-style-type: none"> - Personal failure - Business losses - Loss of personal assets e.g. house. <p>Two rewards</p> <ul style="list-style-type: none"> - Can earn profits/income - Personal satisfaction of succeeding - Put her own ideas into operation - Not having to work for someone else - Challenge of achieving goals and creating own business 	
<p>5 (B)</p>	<p>Three sources of new business ideas – outline required</p> <ul style="list-style-type: none"> (i) Personal interests, hobbies, skills (ii) Other businesses (iii) Foreign travel (iv) Market research (v) Government agencies (vi) Family, friends (vii) Internet etc. 	
<p>5 (C)</p>	<p>Three methods to recruit employees – outline required</p> <ul style="list-style-type: none"> (i) Advertising Newspapers/Local Radio (ii) Internet e.g. Recruit Ireland (iii) Local job centre (iv) FÁS (v) Head hunting (vi) Word of Mouth (vii) Recruitment/Employment agencies etc. 	
<p>5 (D)</p>	<p>Two taxes Sinéad would expect to pay</p> <ul style="list-style-type: none"> (i) Commercial rates (ii) Self-assessment/Corporation tax (iii) VAT (iv) PAYE (v) Motor tax 	
<p>5 (E)</p>	<p>Two sources of long term finance Sinéad could use to start her business</p> <ul style="list-style-type: none"> (i) Mortgage (ii) Long term loan (iii) Owner’s Capital/Savings (iv) Share capital (v) Grants (vi) Debentures (vii) Venture Capital <p>Explanation of one required</p>	

Question 6 Managing

6 (A)	Memo	
	<p>To: All members of staff From: John Muldoon, Human Resource Manager Date: 10th June 2008 Re: Vacancy for Office Manager This is to remind you that the closing date for applications is the 20th June 2008. Signed: <i>John Muldoon</i></p>	
6 (B)	Three other methods of internal communication	
	<ul style="list-style-type: none"> (i) Notice Board (ii) Meetings (iii) Intercom (iv) Intranet/ Internet (v) Report (vi) Newsletter (vii) E-mail (viii) Telephone Letter etc. 	
6 (C)	Three factors that affect the choice of methods of communication in business	
	<ul style="list-style-type: none"> (i) Cost (ii) Urgency (iii) Need for Written record (iv) Confidentiality (v) Availability of technology (vi) Nature of message (vii) Timing (viii) Feedback required <p>Explanation for each factor required</p>	
6 (D)	Two advantages of int. recruitment – outline required	
	<ul style="list-style-type: none"> (i) Motivation – employees will see that hard work and commitment can be rewarded by promotion (ii) Knowledge – existing employees know the business better than external recruits (iii) Less resentment among staff than to an outsider (iv) The business knows the employee – achievements, strengths, training needs, etc. (v) Less expensive to recruit internally 	
6 (E)	<ul style="list-style-type: none"> (i) Stock Control: ensuring that the business has sufficient stock on hand to satisfy demand while keeping costs to a minimum. Elements include minimum and maximum stock levels, lead time, re-order levels and quantities, stock rotation, maintaining records and stocktaking. (ii) Financial Control: ensuring that the business has sufficient finance to meet payments. Elements include cash flow forecasting, monitoring costs, monitoring accounts and ratios etc. 	

Question 8 Business in Action

<p>8 (A)</p>	<p>Three elements of Marketing Mix Product: Design, brand name, packaging, USP, patents, product lifecycle, trademarks, product mix, etc. Place: Channels of Distribution, chain of production, retailer, wholesaler, transport, delivery methods etc. Price: Factors affecting price including competition, discounts, cost of production, pricing strategy, break-even chart, target market, etc. Explanation of one element required</p>	
<p>8 (B)</p>	<p>(i) Three methods of advertising</p> <ul style="list-style-type: none"> • Radio • Newspapers • Flyers • Direct mail • Internet • Magazines • Television • Cinema • Transport etc. <p>An advantage for each method required</p> <p>(ii) Three functions of advertising – outline required</p> <ul style="list-style-type: none"> • To inform consumers • To persuade consumers to buy • To increase sales and profits • To compete with other products/services • To reinforce message/buying decision, etc. 	
<p>8 (C)</p>	<div style="text-align: center;">  </div>	
<p>8 (D)</p>	<p>Two examples of Public Relations methods used by business – outline required</p> <ul style="list-style-type: none"> (i) Sponsorship (ii) Press Releases (iii) Press Conferences (iv) Open days (v) Visits to schools, clubs, etc. 	

