

Coimisiún na Scrúduithe Stáit
State Examinations Commission

Leaving Certificate 2020

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.

Marking Scheme and Support Notes for use with the Marking Scheme.

In considering the marking scheme and the support notes the following points should be noted:

- The support notes presented are neither exclusive nor complete.
- They are **not** model answers but rather a sample of possible responses.
- The support notes in many cases may 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.
- Words, expressions or phrases must be correctly used in context and not contradicted, and where there is evidence of incorrect use or contradictions the marks may not be awarded.
- An examiner unsure of the validity of the approach adopted by a particular candidate to a particular question should contact his/her advising examiner.

LEAVING CERTIFICATE BUSINESS ORDINARY LEVEL 2020

MARKING SCHEME

Section 1 100 marks

Answer 10 Questions – Each Question carries 10 marks

QUESTION	MARKING SCHEME	TOTAL MARKS
1	1 st term: 1+1+1+1 4m 2 nd term: 1+1+1 3m 3 rd term: 1+1+1 3m	10
2	Three terms: 4m + 3m + 3m	10
3	Two explanations: @ 5m each (3m + 2m)	10
4	Three options: 4m + 3m + 3m	10
5	Five answers: 2m + 2m + 2m + 2m + 2m	10
6	Four options: 3m + 3m + 2m + 2m	10
7.	Four ticks: 3m + 3m + 2m + 2m	10
8.	Two terms: @ 5m each	10
9	Two explanations: @ 5m each (3m + 2m)	10
10	Three stages: 4m + 3m + 3m	10
11	Calculation: 3m + 3m + 2m + 2m	10
12	Four entries: 3m + 3m + 2m + 2m	10
13	Three answers: 4m + 3m + 3m	10
14	Four stages: 3m + 3m + 2m + 2m	10
15	Five answers: @ 2m each	10

SECTION 2 -300 MARKS

PART 1

MINIMUM: 1 QUESTION (75 MARKS)

MAXIMUM: 2 QUESTIONS (150 MARKS)

Question 1

(A)	Consumer Law: 4m + 3m + 3m	10
(B)	One reason and link to text: 8m (4+4) 7m (4+3)	15
(C)	(i) One function: 5m (3+2) (ii) List and explain one: 10m (4+3+3)	15
(D)	Three reasons: @ 5 marks each (3+2)	15
(E)	(i) Two functions: 8m (4+4) 7m (4+3) (ii) One Example: 5m	20
	Available Marks	75

Question 2

(A)	Two challenges: 8m (4+4) 7m (4+3)	15
(B)	Two sectors: 8m (3+3+2) 7m (3+3+1)	15
(C)	Four factors and examples: @ 5 marks each (2+2+1)	20
(D)	Two responsibilities: 8m (4+4) 7m (4+3)	15
(E)	One benefit: 10m (5+5)	10
	Available Marks	75

Question 3

(A)	(i) Two reasons: 8m (4+4) 7m (4+3)	15
(B)	(i) Calculation: 5m (1 + 1 + 1 + 2) (ii) Calculation: 5m (1 + 1 + 1 + 2)	10
(C)	Calculation: 10m (3 + 2 + 2 + 3) Surplus: 5m	15
(D)	Two benefits: 8m (4+4) 7m (4+3)	15
(E)	(i) Two challenges: 8m (4+4) 7m (4+3) (ii) One benefit: 5m	20
	Available Marks	75

PART 2

MINIMUM: 2 QUESTIONS (150 MARKS)

MAXIMUM: 3 QUESTIONS (225 MARKS)

Question 4

(A)	Three characteristics/skills:	@ 5marks each (3+2)	15
(B)	Two rewards:	@ 5marks each (3+2)	10
(C)	Two advantages:	8m (4+4) 7m (4+3)	15
(D)	(i) Two benefits: (ii) Two styles:	@ 6m each (3+3) @ 4m each	20
(E)	Two reasons:	8m (4+4) 7m (4+3)	15
	Available Marks		75

Question 5

(A)	(i) Two insurance types: (ii) Explain one:	@ 5m each 10m (5+5)	20
(B)	(i) Two action:	8m (4+4) 7m (4+3)	15
(C)	Two benefits:	8m (4+4) 7m (4+3)	15
(D)	Two taxes:	@ 5m each	10
(E)	Two factors:	8m (4+4) 7m (4+3)	15
	Available Marks		75

Question 6

(A)	(i) Explanation & reference: (ii) Explanation & reference:	10m (4+3+3) 10m (4+3+3)	20
(B)	Two benefits:	8m (4+4) 7m (4+3)	15
(C)	Explanation:	10m (4+3+3)	10
(D)	(i) Difference: (ii) Explanation: Two examples:	10m (3+2) + (3+2) 6m (3+3) 4m (2+2)	20
(E)	One method:	10m (4+3+3)	10
	Available Marks		75

Question 7

(A)	Three advantages:	7m (4+3) 7m (4+3) 6m (3+3)	20
(B)	Explanation and Example:	10m (4+3+3)	10
(C)	(I) Two media: (ii) Two factors:	10m (5+5) @ 5m each (3+2)	20
(D)	(i) Explanation (ii) One benefit	8m (4+4) 7m (4+3)	15
(E)	Two techniques:	10m (5+5)	10
Available Marks			75

Question 8


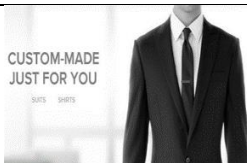


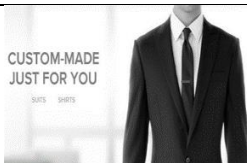


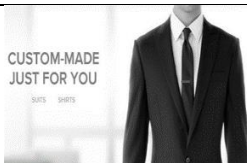

(A)	Two Benefits:	8m (4+4) 7m (4+3)	15
(B)	Two reasons:	8m (4+4) 7m (4+3)	15
(C)	Two Sources:	8m (4+4) 7m (4+3)	15
(D)	Two advantages:	@ 5m each (3+2)	10
(E)	(i) Two reasons: (ii) One method:	@ 6m each (3+3) 8m (4+4)	20
Available Marks			75
















LC BUSINESS -ORDINARY LEVEL

EXPECTED RESPONSES -2020

Section 1 Short Answer Questions

100 marks

Q	Expected Responses	Marks						
1.	<p>What do the following letters stand for?</p> <p>SWOT Strengths Weaknesses Opportunities Threats CEO Chief Executive Officer PLC Public Limited Company</p>	<p>10m</p> <p>4+3+3</p>						
2.	<p>Identify the production option most appropriate to each of the products shown below.</p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td>(i) Batch</td> <td>(ii) Job</td> <td>(iii) Mass</td> </tr> </table>				(i) Batch	(ii) Job	(iii) Mass	<p>10m</p> <p>4+3+3</p>
								
(i) Batch	(ii) Job	(iii) Mass						
3.	<p>Explain the difference between an Entrepreneur and an Intrapreneur.</p> <p>An Entrepreneur uses initiative, spots a gap/opportunity, and takes a risk by setting up a new business. Example: Brian Lee took a risk to set up Freshly Chopped, a healthy food outlet in 2012.</p> <p>An Intrapreneur is an employee within a business who sees an opportunity to create new products/services in the business or new/improved methods of producing products/providing services. Example: Art Fry, a scientist at 3M, came up with the idea for Post It notes.</p>	<p>10m</p> <p>5m (3+2)</p> <p>5m (3+2)</p>						

4.	<p>Complete the table, linking the EU institution with their function.</p> <table border="1" data-bbox="336 197 1206 501"> <tr> <td data-bbox="336 197 507 309">Function</td> <td data-bbox="507 197 735 309">Drafts all European laws</td> <td data-bbox="735 197 946 309">Ensures the EU Budget is spent correctly</td> <td data-bbox="946 197 1206 309">Represents all EU citizens and debates all EU laws</td> </tr> <tr> <td data-bbox="336 309 507 501">Institution</td> <td data-bbox="507 309 735 501">European Commission</td> <td data-bbox="735 309 946 501">European Court of Auditors</td> <td data-bbox="946 309 1206 501">European Parliament</td> </tr> </table>	Function	Drafts all European laws	Ensures the EU Budget is spent correctly	Represents all EU citizens and debates all EU laws	Institution	European Commission	European Court of Auditors	European Parliament	<p>10m</p> <p>4+3+3</p>							
Function	Drafts all European laws	Ensures the EU Budget is spent correctly	Represents all EU citizens and debates all EU laws														
Institution	European Commission	European Court of Auditors	European Parliament														
5.	<p>Indicate whether each of the following is an example of Desk Research or Field Research by writing Desk or Field after each of the following statements.</p> <table border="1" data-bbox="395 703 1211 1312"> <tr> <td data-bbox="395 703 550 819"></td> <td data-bbox="550 703 1011 819">Conducting a focus group where a group of consumers is brought together to discuss a product.</td> <td data-bbox="1011 703 1211 819">Field</td> </tr> <tr> <td data-bbox="395 819 550 936"></td> <td data-bbox="550 819 1011 936">Observing consumer behaviour in a marketplace.</td> <td data-bbox="1011 819 1211 936">Field</td> </tr> <tr> <td data-bbox="395 936 550 1052"></td> <td data-bbox="550 936 1011 1052">Researching magazines and newspapers.</td> <td data-bbox="1011 936 1211 1052">Desk</td> </tr> <tr> <td data-bbox="395 1052 550 1169"></td> <td data-bbox="550 1052 1011 1169">Conducting a survey where a business interviews a consumer directly.</td> <td data-bbox="1011 1052 1211 1169">Field</td> </tr> <tr> <td data-bbox="395 1169 550 1312"></td> <td data-bbox="550 1169 1011 1312">Collecting information from Government publications such as those prepared by the Central Statistics Office (CSO).</td> <td data-bbox="1011 1169 1211 1312">Desk</td> </tr> </table>		Conducting a focus group where a group of consumers is brought together to discuss a product.	Field		Observing consumer behaviour in a marketplace.	Field		Researching magazines and newspapers.	Desk		Conducting a survey where a business interviews a consumer directly.	Field		Collecting information from Government publications such as those prepared by the Central Statistics Office (CSO).	Desk	<p>10m</p> <p>2+2+2+2+2</p>
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	Conducting a survey where a business interviews a consumer directly.	Field															
	Collecting information from Government publications such as those prepared by the Central Statistics Office (CSO).	Desk															
6.	<p>Circle the correct option.</p> <p>(i) Inflation refers to an increase / a decrease in the general level of prices from one year to the next.</p> <p>(ii) A rise in the employment rate results in an increase / a decrease in income tax received by the government.</p> <p>(iii) Lower interest rates mean the cost of borrowing is cheaper / more expensive.</p> <p>(iv) If the euro (€) increases in value relative to the US Dollar (\$), Irish products become cheaper / more expensive in the USA.</p>	<p>10m</p> <p>3+3+2+2</p>															

7.	Tick the correct box.	Premium Pricing	Price Skimming	Discriminatory Pricing	Loss Leader	10m
	Rolex charges a high price for its watches to portray an image of high quality.	✓				3+3+2+2
	Lidl sells a litre of milk to consumers for €0.60 but purchased it from its suppliers for €0.65.				✓	
	Spotify offers students 50% off its premium package.			✓		
	Apple charges a high price at the launch stage of new iPhones and reduces the price over time.		✓			
8.	Choose the appropriate terms to complete the sentence below.					10m
	A takeover is when one company takes control of another by buying more than 50% of its shares, while a merger is when two separate businesses voluntarily agree to join together permanently to form a new business.					5+5
9.	Explain the following barriers to trade.					10m
	<p>Tariff: A tax on goods imported into a country from another country. Tariffs are charged on goods coming into Ireland from outside the EU. Tariffs make the imported goods more expensive and increase tax revenue for the Government.</p> <p>Quota: A Quota is a limit to the quantity of particular goods coming into a country / a limit to the quantity of goods being imported from specific countries. Quotas are usually designed to protect home produced goods, but it may also be a limit on the amount of certain goods that can be produced in a country, e.g. milk quota.</p>					5m (3+2)
						5m (3+2)
10.	Complete the stages in the formation of a Team.					10m
	<ol style="list-style-type: none"> 1. FORMING 2. Storming 3. NORMING 4. PERFORMING 					4+3+3

11.	<p>Calculate Paul Costigan’s net annual take home pay.</p> <p>A €2,400 B €1,800 C €17,840 D €42,160</p>	<p>10m</p> <p>3+3+2+2</p>								
12.	<p>Write the word TRUE or FALSE after each of the following statements.</p> <table border="1" data-bbox="325 450 1254 748"> <tr> <td>A strategic plan is a long-term plan for a business.</td> <td>True</td> </tr> <tr> <td>A mission statement sets out the overall purpose of the business.</td> <td>True</td> </tr> <tr> <td>A functional structure divides a business into different geographic locations.</td> <td>False</td> </tr> <tr> <td>A matrix structure is a team-based structure.</td> <td>True</td> </tr> </table>	A strategic plan is a long-term plan for a business.	True	A mission statement sets out the overall purpose of the business.	True	A functional structure divides a business into different geographic locations.	False	A matrix structure is a team-based structure.	True	<p>10m</p> <p>3+3+2+2</p>
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13.	<p>Name a state agency involved in each of the following sectors.</p> <table border="1" data-bbox="325 875 1278 1122"> <thead> <tr> <th>Sectors</th> <th>Transport</th> <th>Communications</th> <th>Industrial Relations</th> </tr> </thead> <tbody> <tr> <td>State Agency</td> <td>CIE Iarnród Eireann Bus Eireann Dublin Bus</td> <td>RTE An Post</td> <td>Workplace Relations Commission (WRC)</td> </tr> </tbody> </table>	Sectors	Transport	Communications	Industrial Relations	State Agency	CIE Iarnród Eireann Bus Eireann Dublin Bus	RTE An Post	Workplace Relations Commission (WRC)	<p>10m</p> <p>4+3+3</p>
Sectors	Transport	Communications	Industrial Relations							
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14.	<p>Enter four stages.</p> <table border="1" data-bbox="421 1218 1177 1774"> <thead> <tr> <th>Stages in new product/service development</th> </tr> </thead> <tbody> <tr> <td>1. Idea Generation</td> </tr> <tr> <td>2. Product/service Screening</td> </tr> <tr> <td>3. Concept Development</td> </tr> <tr> <td>4. Feasibility Study</td> </tr> <tr> <td>5. Prototype Development</td> </tr> <tr> <td>6. Test Marketing</td> </tr> <tr> <td>7. Launch</td> </tr> </tbody> </table>	Stages in new product/service development	1. Idea Generation	2. Product/service Screening	3. Concept Development	4. Feasibility Study	5. Prototype Development	6. Test Marketing	7. Launch	<p>10m</p> <p>3+3+2+2</p>
Stages in new product/service development										
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15.	<p>Matching of Business Terms with Explanations:</p> <table border="1" data-bbox="359 212 1197 385"> <thead> <tr> <th data-bbox="359 212 587 271">Business Term</th> <th data-bbox="587 212 708 271">1</th> <th data-bbox="708 212 829 271">2</th> <th data-bbox="829 212 951 271">3</th> <th data-bbox="951 212 1072 271">4</th> <th data-bbox="1072 212 1197 271">5</th> </tr> </thead> <tbody> <tr> <td data-bbox="359 271 587 385">Explanation</td> <td data-bbox="587 271 708 385">F</td> <td data-bbox="708 271 829 385">C</td> <td data-bbox="829 271 951 385">A</td> <td data-bbox="951 271 1072 385">B</td> <td data-bbox="1072 271 1197 385">D</td> </tr> </tbody> </table>	Business Term	1	2	3	4	5	Explanation	F	C	A	B	D	<p>10m</p> <p>5 x 2m</p>
Business Term	1	2	3	4	5									
Explanation	F	C	A	B	D									

SECTION 2 -300 MARKS

QUESTION 1:

	Possible Responses	Marks
(A)	<p>Name the law that protects Liam in this situation.</p> <p style="padding-left: 40px;">Consumer Protection Act 2007</p>	<p>10m</p> <p>4+3+3</p>
(B)	<p>Outline how Super Sofas have breached Liam’s consumer rights.</p> <p>The provisions of the Consumer Protection Act 2007 state that false/misleading advertising, information and withholding material information is prohibited.</p> <p>Super Sofas advertisement stated that delivery was free on any sofa ordered in March, but Liam was charged a €70 delivery fee.</p>	<p>15m</p> <p>4+4</p> <p>4+3</p>
(C)	<p>(i) Outline one function of the Competition and Consumer Protection Commission.</p> <ul style="list-style-type: none"> • Promotes and protects interests and welfare of consumers – advises consumers of their rights through media, website, helpline. • Encourages compliance with consumer law – advises businesses on how to ensure they are correctly adhering to the laws. • Enforces consumer law – ensures that all consumer laws are adhered to by businesses. They will issue on-the-spot fines/bring businesses to court if they are in breach of the laws. • Investigates suspected breaches of competition or consumer protection law – series breaches may result in criminal convictions. • Promotes competition. <p>(ii) List and explain one other consumer agency that assists consumers.</p> <ul style="list-style-type: none"> • Consumers Association of Ireland – a voluntary organisation who advocates for consumer rights and offers advice and assistance to consumers who may have an issue with a retailer or service provider. Publishes a monthly online magazine ‘Consumer Choice’. • Ombudsman – the Ombudsman investigates complaints made by members of the public about public bodies. The consumer must first attempt to resolve the issue with the organisation and if unresolved the Ombudsman may investigate and advise a remedy for issue. • Small Claims Court/Procedure – the Small Claims Court hears consumer cases involving items/services up to the value of €2,000. The consumer can apply through courts and pay a fee of €25. The registrar contacts the retailer/ service provider and if the issue is not resolved the case will be heard in the District Court. There are no solicitors involved. 	<p>15m</p> <p>5m (3+2)</p> <p>10m (4+3+3)</p>

<p>(D)</p>	<p>Outline three reasons (other than trade union membership) for unfair dismissal.</p> <ul style="list-style-type: none"> • Religious or political beliefs/opinions. • Legal proceedings against an employer where an employee is a party or a witness. • Race or colour/ethnic background. • Sexuality/Sexual orientation. • Age (between 16 and normal retirement age). • Membership of the Traveller community. • Pregnancy or any matters connected with pregnancy or birth. Availing of rights under legislation to maternity leave, adoptive leave, carer's leave, parental or force majeure leave. • If the employer can't prove the employee's incompetence/misconduct. • Employer has not followed the correct procedures, e.g. not giving the employee a verbal or written warning, right of appeal, right to representation at a hearing, opportunity to contest. 	<p>15m</p> <p>3 x 5m (3+2)</p>
<p>(E)</p>	<p>(i) Describe two functions of a trade union.</p> <ul style="list-style-type: none"> • Better pay – trade union aims to obtain the best possible wages for 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. • 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. • 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. <p>(ii) Name one trade union in Ireland.</p> <p>SIPTU, TUI, INMO, ASTI, INTO, Fórsa</p>	<p>20m</p> <p>4+4</p> <p>4+3</p> <p>5</p>

QUESTION 2:

	Possible Responses	Marks
(A)	<p>Outline two challenges facing the primary sector in Ireland:</p> <ul style="list-style-type: none"> • Climate change – changes in weather patterns have seriously impacted on farming - crops are failing, animals are spending longer in sheds, etc. • Greenhouse gas emissions – farming accounts for 33% of Ireland’s overall greenhouse gas emissions • Increased feed costs – as a result of the weather issues, cost of feed for animals has soared. • Competition from other countries – Irish farmers face increased competition from other countries for meat etc., e.g. EU beef trade deal with Brazil. • Brexit – potential tariffs on animal exports will impact on the sale of animals to the UK. • Traceability/Organic farming – demand from consumers for more organic produce poses a challenge for farmers as this will increase running costs and may result in lower margins. • Restrictions in turf cutting – EU Directives to conserve many bogs has seen the closure of numerous Bord na Mona facilities. • Depletion of fish stocks – the fishing industry is under increasing pressure with fish stocks reducing due to overfishing and the plastic pollution crisis. • Planning restrictions on mining – limited scope for further development of this industry. 	<p>15m</p> <p>4+4</p> <p>4+3</p>
(B)	<p>Name and explain the two other sectors of the Irish economy.</p> <p>Secondary Sector. This is known as the Construction and Manufacturing sector, where raw materials from the primary sector are turned into finished goods.</p> <p>Tertiary Sector: The Tertiary sector is also known as the services industry, where services are provided to consumers and business. The tertiary sector employs approximately 70% of the workforce.</p>	<p>15m</p> <p>3+3+2</p> <p>3+3+1</p>

(C)	<p>(i) List and explain the four factors of production. (ii) Give one example of each factor.</p> <p>Land: This refers to all the natural resources used in the production process. e.g. water, soil, minerals etc.</p> <p>Labour: This refers to all employees required to produce goods and services e.g. factory workers, engineers, R&D etc.</p> <p>Capital: This refers to all man-made resources used in the production process and the finance used to purchase these resources. e.g. machinery, equipment, premises etc.</p> <p>Enterprise: This is the idea for the business and the co-ordination of the other three factors of production in order to produce goods and take the risks involved. e.g. any entrepreneur/business reference acceptable – Pat McDonagh.</p>	<p>20m</p> <p>4 x 5m (2+2+1)</p>
(D)	<p>Outline two environmental responsibilities of a business.</p> <ul style="list-style-type: none"> • Minimise waste/safe disposal of waste – reduce packaging and use environmentally friendly packaging. • Conduct regular environmental audits. • Use eco-friendly vehicles such as electric or hybrid cars. • Cleaner production methods – Use a renewable source of energy such as wind power or solar power. • Awareness – promote awareness amongst staff of the importance of being environmentally friendly. • Reduce carbon footprint by sourcing materials locally. 	<p>15m</p> <p>4+4</p> <p>4+3</p>
(E)	<p>Explain one benefit to a business of meeting its social, environmental, and ethical responsibilities.</p> <ul style="list-style-type: none"> • Improved Public image – a business that conducts itself in an ethical and socially responsible manner will benefit from an enhanced public image, improving reputation and brand loyalty. • Increased Sales/Profits – businesses who engage in ethical and environmentally safe production and corporate social responsibility should benefit from increased sales and profits due to customer satisfaction. • Reduction in costs – businesses may have to increase spending in the short term to become more environmentally friendly etc., but this should reduce in the long-term as the business becomes more efficient. 	<p>10m</p> <p>5+5</p>

	<ul style="list-style-type: none"> Easier to attract employees – workers will be far more likely to work for businesses who treat all stakeholders fairly and meet their social and environmental responsibilities. 	
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QUESTION 3:

	Possible Responses	Marks
(A)	<p>Outline two reasons why Ireland exports goods and services.</p> <ul style="list-style-type: none"> The Irish market is small so Irish firms need to export their goods to stay profitable. Exporting allows an Irish firm to spread the risk, so the business is not solely dependent on one market. Exporting creates employment - more exports means more jobs are created. Ireland exports in order to sell off our surplus production. Selling the surplus goods abroad earns extra income. 	<p>15m</p> <p>4+4</p> <p>4+3</p>
(B)	<p>(i) Calculate the total visible exports for Ireland in 2019.</p> <p>16bn + 47bn + 90bn = €153bn</p> <p>(ii) Calculate the total visible imports for Ireland in 2019.</p> <p>20bn + 14bn + 55bn = €89bn</p>	<p>10m</p> <p>1+1+1+2</p> <p>1+1+1+2</p>
(C)	<p>(i) Calculate the Balance of Trade for Ireland in 2019.</p> <p>Balance of Trade = Visible Exports – Visible Imports</p> <p>= €153bn – €89bn</p> <p>= €64 billion</p> <p>(ii) State whether it is a surplus or deficit: Surplus</p>	<p>15m</p> <p>3</p> <p>2+2</p> <p>3</p> <p>5</p>
(D)	<p>Explain two benefits that Irish consumers receive from international trade.</p> <ul style="list-style-type: none"> More choice – consumers in Ireland have much more variety and options as result of international trade. Price transparency – consumers shopping online can compare prices with other countries. Better quality products – due to increased competition as result of international trade, the quality of products has improved. 	<p>15m</p> <p>4+4</p> <p>4+3</p>

(E)	<p>(i) Outline two challenges for Irish businesses exporting outside the European Union.</p> <ul style="list-style-type: none"> • Language difficulties – difficulties when translating, marketing/advertising materials. • Cultural differences – different customs/traditions, e.g. people in India do not eat beef. • Distribution costs – Increased transportation costs due to distance. • Currency fluctuations – Currency changes may affect competitiveness and can lead to a decline in the demand for Irish exports. • Competition – competition from domestic producers who produce high quality goods. • Taxes and duties charged by other countries – may increase selling price and reduce demand. <p>(ii) Explain how the Irish Government benefits from Irish businesses engaging in international trade.</p> <ul style="list-style-type: none"> • Increased revenue – Government receive increased taxation in the form of corporation tax on profits from business selling goods internationally. • Promotes economic growth – an increase in GDP due to exports improves the economy. 	<p>20m</p> <p>8m (4+4)</p> <p>7m (4+3)</p> <p>5 (3+2)</p>
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QUESTION 4:

	Possible Responses	Marks
(A)	<p>Outline three enterprising characteristics/skills displayed by Ciara.</p> <ul style="list-style-type: none"> • Innovative/Creative – comes up with new ideas; thinks outside the box. Ciara came up with idea to sell vegan ice cream. • Initiative – sees an opportunity and uses their initiative to set up the business. Ciara noticed a trend in healthy eating and took the initiative to set up her own business. • Risk taker – takes personal and financial risk. Ciara resigned from her job and took the risk of setting up her own business. • Decisive/Decision Making – makes quick and effective decisions. Ciara decided to set up a new business called Sensational Scoops. • Future focused /ambitious – Ciara is looking to future and coming up with plans to stay ahead of competitors. • Proactive – do things yourself rather than waiting on others to do it. Ciara spotted an opportunity and decided to do things herself. • Confident – Ciara has such belief in her idea that she resigned her job. • Human Relations skills – gets on with people. Ciara holds a weekly meeting with staff where they discuss new ideas. <p>Other points: Hardworking, Resilient, Flexible, Independent, Reality perception.</p>	<p>15m</p> <p>3+2</p> <p>3+2</p> <p>3+2</p>
(B)	<p>Outline two rewards for Ciara of setting up her own business.</p> <ul style="list-style-type: none"> • Profits – 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. • Independence – she is her own boss. 	<p>10m</p> <p>3+2</p> <p>3+2</p>

(C)	<p>Outline two advantages of meetings as a method of communication.</p> <ul style="list-style-type: none"> • At meetings, participants consult and discuss options before deciding the best plan for the business. Everyone can contribute which helps decision making. • Clarity/understanding – allows any confusion or misunderstandings to be addressed immediately. • Feedback/Opinions – immediate feedback on information is given. • Rapport/Positive relations – face to face meetings builds relationships between people. • Good for staff morale as everyone has opportunity to get their point across. • Decisions can be made more quickly – people are face to face and can make decisions on the spot. 	<p>15m</p> <p>4+4</p> <p>4+3</p>
(D)	<p>(i) Outline two benefits to Ciara of using a democratic leadership style.</p> <ul style="list-style-type: none"> • High staff morale - which leads to high motivation and productivity. • Intrapreneurship - staff may come up with new innovative ideas for the business. • Low staff turnover and absenteeism as staff are happy. • Delegating work prepares staff for promotion. • Makes use of everyone's skills and talents which fulfils employee esteem needs. • Ciara has more time to concentrate on important things and avoids risk of burnout. <p>(ii) List two other leadership styles.</p> <ul style="list-style-type: none"> • Autocratic • Laissez Faire/Free Rein 	<p>20m</p> <p>3+3</p> <p>3+3</p> <p>4+4</p>
(E)	<p>Discuss two reasons why quality control is important for Ciara's business.</p> <ul style="list-style-type: none"> • Increased Sales: sales increase due to the good reputation for quality products. • Customer Loyalty: customers will return if assured of quality. • Reduced Costs: less waste and refunds allows the business to reduce costs. • Quality awards can be used as a marketing tool. • Pricing: Ciara can charge a higher price if the business becomes known for quality. 	<p>15m</p> <p>4+4</p> <p>4+3</p>

QUESTION 5:

	Possible Responses	Marks
(A)	<p>(i) List two types of insurance you would expect Marco’s business to have.</p> <ul style="list-style-type: none"> • Buildings & Contents Insurance • Public Liability Insurance • Employers Liability Insurance • Plate Glass Window Insurance • Product Liability Insurance • Fidelity Guarantee Insurance • Motor Insurance • Consequential Loss Insurance <p>(ii) Marco must abide by the insurance principles of Indemnity and Utmost Good Faith. Explain one of these principles.</p> <p>Indemnity: A person cannot make a profit from an insurance claim. The purpose of insurance is to leave the person in the same financial position as they were before the loss occurred.</p> <p>Utmost Good Faith: A person must be truthful when dealing with an insurance company – they must declare all material facts when seeking insurance cover.</p>	<p>20m</p> <p>5+5</p> <p>10m (5+5)</p>
(B)	<p>Outline two actions Marco could take to try to reduce his insurance premium.</p> <ul style="list-style-type: none"> • Install burglar alarms, security /CCTV. • Train workers in health and safety and provide workers with safe equipment. • Install fire alarms/sprinkler systems and use fireproof materials in buildings. • Switch insurance provider – shop around to provide a cheaper provider. 	<p>15m</p> <p>4+4</p> <p>4+3</p>
(C)	<p>Outline two benefits to Marco of preparing a cash flow forecast (cash budget).</p> <ul style="list-style-type: none"> • To identify the sources and timing of cash inflows and outflows and to ensure there is enough cash to pay bills. • To highlight times when there may be deficits (overspending) so that action can be taken or finance obtained. e.g. get a bank overdraft. • To highlight times when there may be surpluses (cash left over) so that the business can plan to invest this effectively. • To have a benchmark against which future performance will be compared. • Can be used when applying for a loan to show the bank manager ability to repay. 	<p>15m</p> <p>4+4</p> <p>4+3</p>

(D)	<p>List two taxes, that Marco’s business must pay.</p> <ul style="list-style-type: none"> • Corporation Tax/Self-assessment tax • Value Added Tax • Motor Tax • Capital Gains Tax • DIRT (Deposit Interest Retention Tax). • Excise duty. • Import duty • Capital Acquisitions Tax • Commercial Rates • Carbon tax 	<p>10m</p> <p>5+5</p>
(E)	<p>Explain two factors that a bank would consider before giving a loan to a business.</p> <ul style="list-style-type: none"> • Capacity to repay: Has the business the ability to repay? A bank will want to see the financial accounts of a business that indicate it will be able to repay the loan e.g. Cash flow forecasts. • Credit history: Has the business paid back previous loans on time? • Collateral: Does the borrower have security (an asset used to back up the loan)? • Purpose: What is the loan for? • Duration: How long is the loan for? • Amount: How much does the borrower require? • Business plan / future direction. Have they shown it is a good investment? 	<p>15m</p> <p>8m (4+4)</p> <p>7m (4+3)</p>

QUESTION 6:

	Possible Responses	Marks
(A)	<p>Explain the following terms with reference to the advertisement. (i) Job description (ii) Person specification.</p> <ul style="list-style-type: none"> <p>Job Description: This document shows details of the position/vacancy to be filled, including the job title, work details, duties, and responsibilities of the job, conditions of employment and place of work.</p> <p>Reference: Assisting the store manager with the day-to-day running of the store/motivating and leading a team/providing excellent customer service/responsible for increasing sales and controlling stock.</p> <p>Person Specification: This describes the qualities that the successful candidate for the job should have. These would include academic qualifications, previous work experience, and relevant personal characteristics and skills.</p> <p>Reference: Minimum of five years fashion retail experience/excellent interpersonal and communication skills/a keen interest in fashion/good leadership skills/ability to work as part of a team.</p> 	<p>20m</p> <p>4+3+3</p> <p>4+3+3</p>
(B)	<p>Outline two benefits of teamwork to a business such as The Wardrobe.</p> <ul style="list-style-type: none"> <p>Improved decision making: Each team member brings different skills and expertise which leads to improved decision making.</p> <p>Improved staff morale: Staff morale increases as employees get satisfaction from working with others. Leads to better quality of work and greater motivation.</p> <p>Improved staff relations: staff build good contacts with other team members which helps satisfy social needs.</p> <p>Workload is shared/shared responsibility: each member contributes. More working on a task improves efficiency.</p> <p>Improved communication: working in a team will help to improve communication and interpersonal skills.</p> <p>Generates creative ideas: suggestions can spark new ideas.</p> 	<p>15m</p> <p>4+4</p> <p>4+3</p>

(C)	<p>Explain the term ‘equal opportunities employer’.</p> <p>This is an employer who does not discriminate against any employee or job applicant because of gender, marital status, family status, religion, age, race, disability, sexual orientation or membership of the travelling community.</p> <p>Employees will be selected, promoted and treated fairly based on their suitability for the position.</p>	<p>10m</p> <p>4+3+3</p>
(D)	<p>(i) Outline the difference between a Salary and a Wage.</p> <ul style="list-style-type: none"> • A salary is a fixed regular payment made to an employee from their employer, usually expressed in the form of an annual sum. • A wage is a regular payment made to an employee from their employer which is normally based on the hours worked by the employee and paid on a weekly basis. <p>(ii) Explain, using two examples, what is meant by ‘Benefit-in-Kind’.</p> <p>A Benefit in Kind (also known as a ‘perk’) is a non-financial reward given to an employee by their employer. It is usually given as an incentive to take up a position or to motivate staff. Benefit in Kind is given to employees in addition to their wage/salary.</p> <p>Examples: Company car, Company phone/tablet/laptop, health insurance, gym membership, subsidised restaurant/free meals.</p>	<p>20m</p> <p>3+2</p> <p>3+2</p> <p>3+3</p> <p>2+2</p>
(E)	<p>Outline one method of selection that The Wardrobe could use to find a suitable candidate for the position of Assistant Retail Manager.</p> <ul style="list-style-type: none"> • Interview – The Wardrobe Boutique owners/Management may interview several candidates for the position of Assistant Retail Manager. This will involve the candidate sitting down with a panel of people and answering questions about their abilities, experience etc. • Aptitude/Personality Tests – The management may request that potential candidates sit an aptitude test to identify where their strengths and capabilities lie. • Observation – candidates may be put into a situation where they may have to liaise/deal with other people, employees, customers etc. and management will observe how the candidates perform in these situations • Trial – suitable candidates may be given the position on a trial basis to determine their ability for the job. This may/may not result in the candidate getting the position. 	<p>10m</p> <p>4+3+3</p>

QUESTION 7:

	Possible Responses	Marks
(A)	<p>Outline three advantages of branding for a business.</p> <ul style="list-style-type: none"> • Helps identify the product / makes it more recognisable / differentiates it from competitors' products. • Increases customer loyalty. Consumer will stick with a particular brand if satisfied, which increases sales and profits. • Aids marketing and advertising / keeps brand name in consumers' minds. • A well-known brand name often has the image of higher quality. Therefore, the business can charge a higher price. • It is easier and cheaper to launch a new product on the market – this reduces the risk of failure. 	<p>20m</p> <p>4+3</p> <p>4+3</p> <p>3+3</p>
(B)	<p>Explain, using an example, the term 'target market'.</p> <ul style="list-style-type: none"> • 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: Kinder Chocolate aimed at children. 	<p>10m</p> <p>4+3+3</p>
(C)	<p>(i) List two advertising media that a business could use.</p> <ul style="list-style-type: none"> • TV • Radio • Newspapers/magazines • Internet/Social media • Billboards • Direct mail <p>(ii) Outline two factors a business would consider before deciding which advertising media to use.</p> <ul style="list-style-type: none"> • Finance available/Cost – Some advertising media are very expensive such as TV whereas advertising on local radio is cheaper. • Type of product – some products require a visual media e.g. TV to show how the product works. • Target market – a business must consider how much of the target market can be reached by a particular medium of advertising. • Competitors – what type of advertising media are the main competitors using. 	<p>20m</p> <p>5+5</p> <p>3+2</p> <p>3+2</p>

(D)	<p>(i) Explain what is meant by Public Relations (PR).</p> <p>Public Relations (PR) is a method used by business/people/ organisations to create goodwill towards the organisation or bring awareness to the general public about the organisation.</p> <p>Examples: Sponsorship, Press Conferences, Trade Fairs etc.</p> <p>(ii) Outline one benefit to a business of using Public Relations (PR) as a method of promotion</p> <ul style="list-style-type: none"> • Improves relationship with customers/general public – creates more loyalty from customers. • Business is more engaged with the local community – giving something back to the community through sponsorship etc. • Enhances relationship with media outlets. • Creates more links within own industry. 	<p>15m</p> <p>4+4</p> <p>4+3</p>
(E)	<p>Name two suitable types of Sales Promotion a business could use to boost sales.</p> <ul style="list-style-type: none"> • Buy one, get one free • Competitions • Loyalty cards • Free samples • Discounts • Point of sale displays. 	<p>10m</p> <p>5+5</p>

QUESTION 8:

	Possible Responses	Marks
(A)	<p>Outline two benefits of preparing a business plan.</p> <ul style="list-style-type: none"> • It set out clearly the objectives and targets of the business which gives direction and focus to the business. • It is used to obtain finance from lenders, who must be convinced that the plan has a good chance of success. • It can help attract potential investors as they can assess the risk before investing. • It identifies resources required for future. • It can highlight future difficulties and the business can take steps to address them. • Actual performance can be compared with targets set, to determine success. 	<p>15m</p> <p>4+4</p> <p>4+3</p>
(B)	<p>Outline two reasons for business expansion.</p> <ul style="list-style-type: none"> • Economies of scale: A business may expand in order to reduce costs. The more products the business produces, the lower the cost of making each one. • Diversification: This involves branching into new markets which reduces the overall risk. • Increase sales and profitability: Expansion can increase profitability and financial strength in the business. • Eliminate competition: A business might merge with or takeover a competitor in order to maintain market share. • Ambition: Some business people are very ambitious and like challenges. They have a desire to build an empire. 	<p>15m</p> <p>4+4</p> <p>4+3</p>
(C)	<p>Apart from grants, outline two sources of finance to fund business expansion.</p> <p>Share Capital/Equity Capital This is the money provided by investors known as shareholders. They are the owners of the business and receive a percentage of profit called a dividend. No security is required.</p> <p>Retained Earnings (Reserves) Past profits of the business, which have not been paid out in dividends are reinvested into the business to fund future development.</p> <p>Long Term loan (Debentures) Borrowings of over five years secured on the fixed assets of the business. Specified rate of interest and repayment date.</p>	<p>15m</p> <p>4+4</p> <p>4+3</p>

(D)	<p>Outline two advantages of information technology to a growing business.</p> <ul style="list-style-type: none"> • Improved communication – instant worldwide communication – emails, videoconferencing. • Marketing – Businesses can advertise online to a global audience – internet/websites/social media. • E-commerce – Goods/Services can be sold online to global markets which increase profit. • Market Research – A business can look up information on their competitors or conduct an online survey. • Electronic Data Interchange (EDI) – automatic stock ordering system ensures you always have enough stock. • Meetings – Face to Face meeting can occur without the need to travel – videoconferencing. • Quick decision making – financial forecasting is easier – cash flow forecasts, spreadsheets. • It enables employees and managers to work from home – laptops, iPads. 	<p>10m</p> <p>3+2</p> <p>3+2</p>
(E)	<p>(i) Outline two reasons why a business would carry out market research.</p> <ul style="list-style-type: none"> • To find out more about competitors and produce a better product to stay ahead of its competitors. • To find out customers' needs and wants/identify trends and produce a product that satisfies that need. • To help determine the appropriate price to charge/a price the target market is willing to pay. • It can be used to test customer reaction to a product which reduces the risk of the product failing. • To identify and provide information on the target market. The business will aim the product at this group and reduce possible waste of cash. • To find out the size of the market and the potential of the market. • To find out the best type of promotion to use to attract customers. • Products can be tested on potential customers to obtain feedback on possible improvements. <p>(ii) Explain one method of Market Research.</p> <p>Primary Research (Field Research): involves finding out first-hand information from the market, using methods such as questionnaires, interviews, focus groups etc.</p> <p>Secondary Research (Desk Research): involves finding out information from previously published sources, such as CSO statistics, reports, newspapers, internet etc.</p>	<p>20m</p> <p>3+3</p> <p>3+3</p> <p>4+4</p>

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