



Coimisiún na Scrúduithe Stáit  
State Examinations Commission

Leaving Certificate Examination 2021  
**Business**

Section 1 and Answerbook

Ordinary Level

Thursday 17 June Morning 9:30 – 12:00

300 marks

**Examination Number**

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**Day and Month of Birth**

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For example, 3rd February  
is entered as 0302

**Centre Stamp**

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## Instructions

Write your Examination Number and your Day and Month of Birth in the boxes on the front cover.

Write your answers in blue or black pen. You may use pencil for sketches, graphs and diagrams only.

There are two sections in this examination. Questions for **Section 2** are supplied separately but your answers must be written in this Answerbook.

**Candidates are required to answer:**

**(A) Five questions from Section 1**

**and**

**(B) Three questions from Section 2 as follows:**

**One question from Part 1**

**One question from Part 2 and**

**One other question from either Part 1 or Part 2.**

**All questions in this section carry equal marks.**

**Please note the allocation of marks per question.**

**Make and Model of calculator used:**

Answer 5 questions. Each question carries 15 marks.

1. What do the following letters stand for? Write each answer in the space provided.

PIN	
ATM	
APR	

2. Write the word **TRUE** or **FALSE** after each of the following statements.

Statement		True or False
(i)	A chairperson has a casting vote if a vote is tied at a meeting.	
(ii)	A chairperson sends out the notice and agenda for all meetings.	
(iii)	A secretary takes notes during the meeting and writes up the minutes of the meeting.	
(iv)	A quorum is the minimum number of people who must be present for a meeting to take place.	

3. Choose the appropriate words to complete the sentence. (One word does not apply).




**Strategy**

**Demographics**

**Segmentation**

Market \_\_\_\_\_ involves dividing up the market using different methods such as \_\_\_\_\_, which then provides analysis of consumers based on age, gender etc. This is done to identify the brand's target market.

4. Match the product idea with the correct source of business idea from the list below:

Experience	Competitors	Market trends
<b>Product</b>	<b>Source of Business Idea</b>	
James Dyson was frustrated with his own vacuum cleaner and took it apart to try to develop his own.		
A Microsoft employee saw an opportunity to develop a rival product to the Sony PlayStation and developed the Xbox.		
Brian Lee noticed the increasing popularity of healthy food on the go and developed his chain of take-away healthy food restaurants.		

5. The following steps are involved in the management activity **controlling**.  
Number the steps in the correct order, **1 – 4 (1 being the first step)**.

Number Order	Steps
	<b>Measure performance</b>
	<b>Compare performance with standard</b>
	<b>Set the standard</b>
	<b>Take corrective action (if necessary)</b>




6. List **two** reasons for fair dismissal under the Unfair Dismissals Acts, 1977-2007:

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

7. Insert the correct EU institution below: **One institution is not explained.**

European Commission  
 The Court of Justice of the European Union  
 The European Court of Auditors  
 EU Parliament

	<ul style="list-style-type: none"> <li>Members elected every 5 years by EU citizens</li> </ul>
	<ul style="list-style-type: none"> <li>Each member appointed by the Government of each member state</li> </ul>
	<ul style="list-style-type: none"> <li>Responsible for ensuring the EU budget is spent correctly</li> </ul>

8. Calculate Alison Chamber's net annual take home pay from the following details.  
**Show your workings.**

Name: Alison Chambers	€	€	€
Gross Pay			35,000
<b>Deductions:</b>			
PAYE: (20% of €35,000)	7,000		
- Tax Credit	<u>- 3,300</u>		
Net PAYE		<b>A</b>	
PRSI: (4% of €35,000)		1,400	
USC: (3% of €35,000)		<b>B</b>	
<b>Total Deductions:</b>			<b>C</b>
<b>Net Annual Take-home Pay</b>			<b>D</b>

**Workings:**

9. Outline **two** benefits of **teamwork** to an organisation:

1.
2.

10. Tick (✓) the correct box to indicate which organisation provides a **mediation service** in an industrial relations conflict.



**Labour Court**



**Workplace Relations Commission (WRC)**

11. Hempstead Ltd is examining its profitability.  
From the information below, calculate the Gross Profit Percentage and Net Profit Percentage for 2020. **Show all workings in the spaces provided.**

2020	
Sales	€210,000
Gross Profit	€42,000
Net Profit	€10,500

<p>Gross Profit Percentage:</p> <p>(i) _____</p>	<p>Net Profit Percentage:</p> <p>(ii) _____</p>
<p><b>Workings:</b></p> <p>_____ x <math>\frac{100}{1}</math> =</p>	<p><b>Workings:</b></p> <p>_____ x <math>\frac{100}{1}</math> =</p>

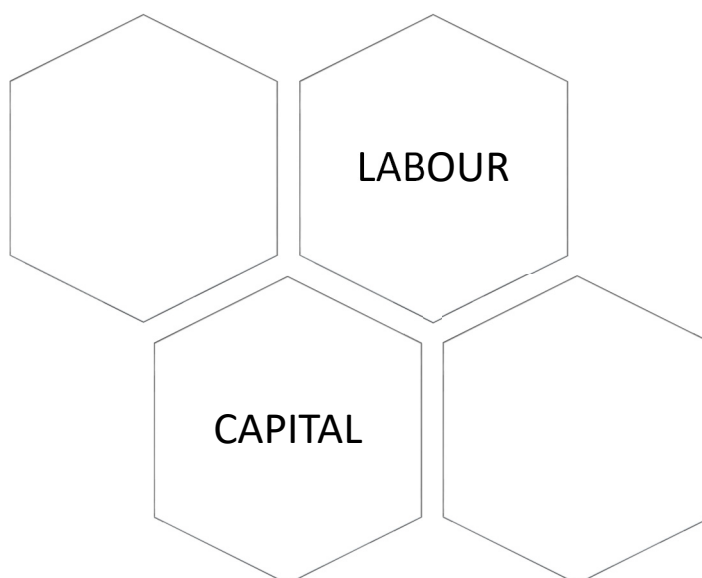
12. Column 1 is a list of business terms. Column 2 is a list of explanations for these terms. **One explanation has no match.**

	Column 1: Business Terms		Column 2: Explanations
1	Database	A	The person in the business who decides how information is collected and used.
2	Cloud Computing	B	A system of remote servers, hosted by the internet, which stores and manages information.
3	Data Controller	C	A software package which allows the user to present information using sound, words and images.
4	Data Subject	D	An electronic filing system used to store large amounts of information.
5	PowerPoint	E	A system which allows business to business communication without human interaction.
		F	The person whose personal information is stored by a business.

Match the two lists by placing the letter of the correct explanation under the relevant number below.

Business Term	1	2	3	4	5
Explanation					

13. Complete the missing **factors of production**.



14. Indicate by means of a tick (✓) whether each of the following is a strength, weakness, opportunity or threat:

	Strength	Weakness	Opportunity	Threat
Ryanair customers find it difficult to contact the airline.				
Wetter weather has impacted on the potato crop for Keogh's crisps.				
A new housing development has been built near SuperValu, Loughrea.				
Apple have almost \$200 billion in cash reserves.				

15. Circle the **correct option** in **each** of the following statements.

- (i) TQM stands for **Total / Team** Quality Management.
- (ii) Employee **encouragement / empowerment** involves employees being actively involved in the running of the business.
- (iii) A Facilitator Manager **delegates / dictates** tasks to employees.
- (iv) Products can be designed using Computer **Assisted / Aided** Design.



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Leaving Certificate 2021 – Ordinary Level

## Business Section 1 and Answerbook

Thursday 17 June

Morning 9:30 – 12:00



Coimisiún na Scrúduithe Stáit  
State Examinations Commission

Leaving Certificate Examination 2021

**Business**

Section 2

Ordinary Level

Thursday 17 June Morning 9:30 – 12:00

**Candidates are required to answer:**

**Three** questions from **Section 2** as follows:

**One** question from **Part 1**

**One** question from **Part 2**

And **One** other question from either **Part 1** or **Part 2**

**All questions in Section 2 carry equal marks.**

Do not hand this up

Write your answers in the Answerbook containing **Section 1**

Answer **three** questions from SECTION 2 as follows:

**One** question from **Part 1**,

**One** question from **Part 2**,

**AND One** other question from either **Part 1** or **Part 2**.

All questions carry **75** marks.

## Part 1

### Question 1

People in Business

Read the information supplied and answer the questions which follow.

#### CONSUMER LAW

Consumers in Ireland are protected by a number of different laws. The CCPC is responsible for ensuring all consumer laws' are implemented by businesses and they protect consumers rights. The Sale of Goods and Supply of Services Act, 1980, outlines consumers rights and retailers' responsibilities in relation to goods and services.



- (A) (i) What do the letters CCPC stand for?  
 (ii) Name the other consumer law which the CCPC enforces. (10)
- (B) Explain, using examples, the following provisions of the Sale of Goods and Supply of Services Act, 1980:  
 (i) Goods must be of merchantable quality  
 (ii) Goods must be fit for purpose  
 (iii) If a consumer purchases a faulty product who is responsible? (20)
- (C) Outline **two** forms of remedy/redress that consumers are entitled to if any provisions of the Sale of Goods and Supply of Services Act, 1980 are broken. (15)

'Unofficial strike causes severe disruption to bus services in Limerick'

Newstalk, Oct 2020

- (D) Describe any **two** functions of a trade union. (15)
- (E) Explain the process employees must engage in to hold an 'official strike', as set out in the Industrial Relations Act, 1990. (15)

Read the information supplied and answer the questions which follow.

Janet and Michael O'Donnell are considering using a franchise method to expand their business. They operate an artisan burger bar, where all food is made freshly by Michael every day. The business thrived during the last year and they can see potential in franchising the idea.



- (A) Explain the term **franchise** as a form of business ownership. (10)
- (B) Name **two** other businesses in Ireland which operate as franchises. (10)
- (C) Outline **one** advantage and **one** disadvantage for Janet and Michael if they decide to franchise out their business. (15)

#### Hospitality industry welcomes the reduction of VAT to 9%

Budget 2021 saw a decrease in the VAT rate for the hospitality and tourism industries from 13.5% to 9% until December 2021.

Adapted from the Irish Examiner

- (D) (i) Name the sector of the economy in which the hospitality and tourism industries operate.
- (ii) Explain the other **two** sectors of the economy and give **one** example of an industry in each sector. (25)
- (E) Outline **one** impact the reduction in the VAT rate will have on **each** of the following:
- Tourism and hospitality industries
  - Government Current Income. (15)

Read the information supplied and answer the questions which follow.

International Accounts Q2 2020 Ireland's economic interactions with the rest of the world		
Goods		Services
Exports €56bn		Exports €52bn
Imports €23bn		Imports €53bn



- (A) (i) Using the information above, calculate the **Balance of Payments** for Q2 2020.  
**Show your workings.**
- (ii) State whether it is a surplus or a deficit. (20)
- (B) Explain **two** reasons why international trade is important for Ireland. (15)

Brexit is having a major impact on Irish business. Consumers and business are now faced with tariffs when buying and selling goods. Some multinational companies, however, are relocating to Ireland because of Brexit.



- (C) A tariff is used as a barrier to trade. Explain the term **tariff** and name **one** other barrier to trade. (15)
- (D) Explain the term **multinational company** (MNC). (10)
- (E) Outline **two** reasons why multinational companies might relocate to Ireland, following Brexit. (15)

**Question 4****People in Business**

Read the information supplied and answer the questions which follow.

Debenhams workers participate in a national strike outside 11 stores in Ireland  
Adapted from the Irish Examiner

- (A) Explain **two** benefits to an employee of being a member of a trade union. (15)
- (B) State **one** example of a trade union in Ireland. (10)
- (C) Outline **two** effects of industrial disputes. (15)
- (D) Outline **two** functions of a shop steward. (15)
- (E) Explain, giving **two** reasons, why the advertisement below is unlawful under the Employment Equality Acts, 1998-2015. (20)

Child Care Assistant required for busy Crèche.  
Full time.  
Female applicants only.  
Applicants must be Irish and speak fluent English.  
Email your CV to: [info@daisycrèche.ie](mailto:info@daisycrèche.ie)



## Part 2

### Question 5

### Enterprising

Read the information supplied and answer the questions which follow.

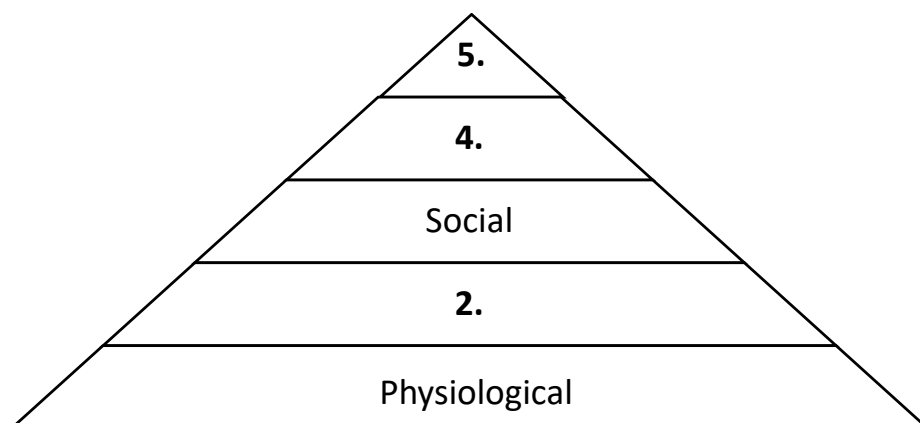


Buymie was founded in 2015 by Devan Hughes and Artavazd Soyhikyan as a mobile app for same-day grocery delivery. The app allows customers to shop for groceries in major retailers such as Tesco, Lidl and Dunnes. They hired an additional 200 personal shoppers and drivers due to increased demand.

- (A) Outline **three** entrepreneurial characteristics/skills associated with entrepreneurs like Devan and Artavazd. (15)
- (B) Explain **two** ways in which Information & Communication Technology (ICT) can assist a business. (15)

Tesco Ireland Ltd increased their employees pay by 10% as an acknowledgement of their hard work during the difficult times of 2020 and 2021.

- (C) Outline **two** benefits to a business of motivating employees. (15)
- (D) (i) Maslow's Hierarchy of Needs pyramid is presented below. List the missing levels 2, 4 and 5. (20)
- (ii) Explain an initiative Tesco could introduce to try and satisfy their employees **social** needs at level 3.



- (E) Explain the **democratic style of leadership** sometimes used by Tesco when making decisions. (10)

Read the information supplied and answer the questions which follow.

### DUNMACKEY HOUSE HOTEL

Dunmackey House Hotel has struggled to remain open over the past year. Aideen McNally, the Human Resource Manager, had to make seven staff redundant during this time. Aideen did not like this aspect of manpower planning and hopes they will be able to re-hire staff in the future. All staff were paid redundancy based on six weeks' pay per year of service.

- (A) Explain **three** methods, other than wages, of rewarding employees. (15)
- (B) Outline **two** functions, other than manpower planning, which are part of a Human Resource Manager's job. (20)



Tom Delaney earned €490 per week in the Hotel and worked there for 11 years. He decided to use his redundancy package to purchase a van and provide a delivery service for the local retailers in Dunmackey who were relying on online/phone in sales for survival. He needed to purchase motor insurance for business use on the van and was hoping his premium would not be too high.

- (C) Calculate Tom's redundancy package from Dunmackey House Hotel. (10)
- (D) (i) Name **and** explain one type of motor insurance Tom could purchase.  
(ii) Name **one** factor which might impact on a motor insurance premium. (15)
- (E) Tom must adhere to the principles of **Utmost Good Faith, Indemnity and Insurable Interest**. Explain **two** of these principles. (15)



Read the information supplied and answer the questions which follow.

### *Eden Hills Golf Club*

Eden Hills Golf Club is a very popular course in the sunny South East of Ireland. It has a top-class course, with a bar that supplies bar food. They want to expand the club house to include a function room, to hold bigger events in the future. The golf club has no money saved and sees this as a long-term investment. The Finance Committee is currently producing a business plan and a Zoom meeting of all club members has been called.

<b>Cashflow Forecast Eden Hills Golf Club Ltd for the first 3 months of 2022</b>				
2022	January	February	March	Total
	€	€	€	€
Total Receipts (A)	13,000	14,000	25,000	52,000
Total Payments (B)	21,000	15,000	13,000	49,000
Net Cash (A-B)	-8,000	-1,000	12,000	3,000
Opening Cash	2,000	-6,000	-7,000	2,000
Closing Cash	-6,000	-7,000	5,000	5,000

- (A) Name **one** item Eden Hills Golf Club might include in their cashflow forecast under each of the following sections:
- (i) Receipts section
  - (ii) Payments section. (10)
- (B) (i) Does Eden Hills Golf Club have a better cashflow position in January or March?
- (ii) Outline **two** possible reasons for your answer. (20)
- (C) Outline **two** advantages of meetings as a method of communication. (15)
- (D) Explain **two** sources of long term finance Eden Hills Golf Club could use to expand its business. (15)
- (E) Outline **two** benefits of preparing a business plan. (15)



Read the information supplied and answer the questions which follow.

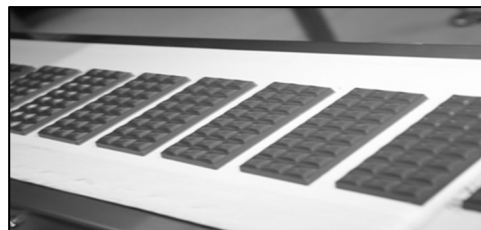


Cadbury has launched its latest products.

The stages of the new product development process included Idea Generation, Product Screening and Feasibility Study. Cadbury also engaged in test marketing.

- (A) Explain **two** of the underlined terms above. (15)
- (B) Outline **two** methods of field research that Cadbury may have used as part of its test marketing stage. (15)

Cadbury bars are manufactured using mass production. The bars are wrapped using packaging with the distinctive purple Cadbury colour.



- (C) (i) Explain the term **mass production**.  
 (ii) Name and explain **two** other methods of production. (20)
- (D) Illustrate, using a diagram, the **channel of distribution** Cadbury might use to distribute their chocolate bars. (10)
- (E) Outline **two** functions of product packaging. (15)

Read the information supplied and answer the questions which follow.



The Ryan family have operated their hardware and DIY store for over 60 years on the outskirts of Limerick city. They had a high sales turnover in 2020, due to the large amount of people renovating their homes. However, a large DIY chain store has recently opened in the nearby retail park. The Ryan's are concerned that they may lose some of their customers to this new chain store, despite building a good name over 60 years.

- (A) Outline **two** reasons why a good brand name is important to a business like the Ryan's. (15)
- (B) Outline **three** factors the Ryan's must consider before setting prices for their products. (20)
- (C) (i) Explain the term **sales promotion**.  
(ii) List **three** methods of sales promotion the Ryan's could use to compete with the larger chain store. (20)
- (D) List **two** reasons why businesses expand. (10)
- (E) Explain the difference between a **merger** and a **takeover**. (10)

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Do not hand this up

Leaving Certificate 2021- Ordinary Level

**Business – Section 2**

Thursday 17 June

Morning 9:30 – 12:00