

Question 1

Question 13

A sales assistant earns €14 per hour and double time if they work Saturday or Sunday. Calculate their Gross Pay this week if they worked 12 hours during the week and 7 hours at the weekend.

Workings:

Weekday 12 hours X €14 =	168 2m
Weekend 7 hours X €28 =	196 2m
= Gross Pay	=€364

Answer: **€1m 364 1m O.F.**

Question 2

Question 12

David Byrne's monthly wage is €3,000. He pays PAYE at the rate of 20% and has a monthly tax credit of €295.

Calculate David's monthly net pay by filling in the **five** unshaded areas, numbered (i) to (v), in the table below.

	€	€	Workings
Gross Pay		(i) 3,000 1m	
PAYE @ 20%	(ii) 600 1m		
<i>Less Tax Credit</i>	(iii) 295 1m		
Tax payable		(iv) 305 1m OF	
Net Pay		(v) 2,695 2m OF	

Question 3

Question 15

Mary would like to buy a smart TV. The TV she wants to purchase is priced at €1,000. She has seen the following information on www.cpc.ie.



Bank Loan
Personal Loan €1,000
Repayments 12 months @ €87.24

Mary has decided to get the loan from the bank.

Calculate the interest and the total cost of the TV for Mary using the information provided above.

How much will Mary pay for the television in total?	€ 1,046.88 3m
How much interest will Mary pay?	€ 46.88 3m O.F.

Workings:

$$12 \times 87.24 = 1,046.88 \quad \text{and} \quad 1,046.88 - 1,000 = 46.88$$

$$1\text{m} \quad 1\text{m} = \quad 1\text{m} \quad \quad 1\text{m} \quad 1\text{m} \quad 1\text{m O.F.}$$

Question 4


Question 3

Look at the following advertisement for an insurance company in Macroom, Co. Cork.

A1 Insurance Ltd
West Square, Macroom, Co. Cork.

Buildings €2.50 per €1,000

Burglar alarm installed - 9% discount



Lucas and Katrina would like to insure their house for €320,000. They have no burglar alarm.

- (i) Using the above information, calculate the cost of their insurance premium from A1 Insurance Ltd.

Cost of Insurance	Workings
€800	$\frac{320,000}{1,000} \times 2.50 = €800$

- (ii) Calculate how much Lucas and Katrina could save if they were to install a burglar alarm.

Saving	Workings
€72 O.F	$800 \times 9\% = €72 \text{ O.F}$

Question 5

Months	July	August	September	Total
Net cash	150	(300)	(150)	(300)
Opening cash	210	360	60 (1m)	210
Closing cash	360 (3m)	60	(90) (1m)	(90) (1m)

Question 6

- (ii) Healthy Ted Ltd has an impact on the local area in which it operates.
Describe **two** impacts Healthy Ted Ltd could have on the local area. **6m**

Create local employment which will increase disposable income for local families.
Sponsor local events which create a community spirit in the local area.
Multiplier effect: The additional economic benefit accrued to an area from money being spent in the local economy (Spin-off effects) which could boost local employment.
By selling a healthy takeaway, local people will be encouraged to purchase the healthy option which will reduce the strain on the local health services.
By having a healthy takeaway, Healthy Ted Ltd will bring people into the local area which will increase expenditure/spending in the local area.

Question 7

(b) While Lohan Ltd have closed all their stores, they continue to sell goods online.

(i) Discuss **two** costs that have been reduced because of Lohan Ltd moving their business to online only.
(2 x 3m)



Reduced fixed costs: will no longer have to pay rent/rates/insurance/salaries to store managers/owners.

Reduced variable costs: decreased wage bill/decrease light and heat etc.

Question 8

(c)

(i) Cadden Ltd are planning to install Solar Panels.

Outline the environmental benefit of Cadden Ltd using Solar Panels to generate electricity for their business.

(6m)



By generating their own electricity, it will reduce carbon emissions.
Reduced air pollution. Electricity from fossil fuels can generate harmful carbon dioxide and methane gases which results in poor air quality.
Reduced reliance on fossil fuels / renewable energy which results in a more stable future/ doesn't damage the environment.
Helps to slow climate change. Solar energy does not contribute to climate change.

Question 9

	€
Total (excluding VAT)	30,000
Trade discount (10%)	3,000
Subtotal	27,000 2m
VAT (23%)	6,210 2m OF
Total (including VAT)	33,210 2m OF

Question 10

Dr		Bank Account				Cr
Date	Details	Total	Date	Details	Total	
2021		€	2021		€	
Oct 1	Balance b/d	550	Oct 10	Wages	300	
Oct 12	Cash sales	340	Oct 20	Cash purchases	200	
			Oct 31	Balance c/d	390(1m)	
		890 (1m)	(1m)		OF	
Nov 1	Balance b/d	390(1m)			890 (1m)	
(1m)		OF				

Question 11

Dr			Sales a/c			Cr		
Date	Details	Total (€)	Date	Details	Total (€)			
			31/03/22 (1m)	Bank/Cash	5,200 (2m)			

Dr			Bank/Cash a/c			Cr		
Date	Details	Total (€)	Date	Details	Total (€)			
31/03/22 (1m)	Cash Sales	5,200 (2m)						

Question 12

Question 3

Complete the following extract from a Credit Note issued by Monty Petcare Ltd.

QUANTITY	DESCRIPTION	CODE	PRICE EACH €	TOTAL €
20	Dog Kennels	DK100	100	2,000
	Reason: Damaged in transit			
		Total (excluding VAT)		2,000
	Carriage Paid	Trade discount @ 10%		200 2m
	E & OE	Subtotal		1,800 1m O.F
		VAT @		414 2m O.F
		23%		2,214 1m O.F

Question 13

Complete the trading account of Blake Ltd for the year ended 31/12/2018:

Trading Account of Blake Ltd for the year ended 31/12/2018		
	€	€
Sales		850,000
Less cost of sales		
Opening stock	75,000	
Purchases	450,000	
	525,000 [2]	
Less closing stock	115,000	
Cost of sales		410,000 O.F [2]
Gross profit		440,000 O.F [2]

Question 14

- (ii) Cadden Ltd are applying for a grant from the Sustainable Energy Authority of Ireland (SEAI) to help fund the Solar Panels.



Explain the term grant. **(6m)**

A grant is a sum of money given to an individual or business that does not have to be repaid as long as it is used for its intended purpose.

Grants are generally given by the Government, through Enterprise Ireland, Local Enterprise Offices, SEAI or the European Union.

Question 15

(ii) Taxation is the main source of income in Ireland's National Budget.

Apart from Taxation, explain **two** other sources of income for the Irish Government. **6m**

EU Grants, money received from the EU for a specific purpose or conditions attached that does not have to be paid back e.g., Covid, motorways etc.

EU Loans, money received that has to be paid back with interest and the loan may be for a specific purpose e.g., bailout or children's hospital

Fees/Fines charged by State Bodies which helps aid certain Government projects.

The sale of state bodies (Privatisation) is important for the Government as it gives much needed income for certain capital projects.

Question 16

Question 17

The following trial balance was taken from the books of Cupán Eco Ltd, on 31/12/2022, the end of its financial year. The Authorised share capital is 600,000 €1 ordinary shares.

Trial Balance of Cupán Eco Ltd as at 31/12/2022		
	€	€
Sales		268,600
Purchases	121,000	
Carriage inwards	9,000	
Stock 01/01/2022	14,000	
Insurance	6,600	
Advertising	42,400	
Wages	52,000	
Light & heat	15,000	
Buildings	274,000	
Equipment	92,800	
Cash	21,600	
Dividends paid	9,200	
Debtors	20,000	
Creditors		14,000
Bank overdraft		7,000
Profit and loss balance 01/01/2022		48,000
Issued share capital		340,000
	<u>677,600</u>	<u>677,600</u>

<p>The following information is also provided:</p> <p>Stock 31/12/2022: €25,000</p> <p>Depreciation: Buildings 2% Equipment 20%</p>	<p style="text-align: right;">$€274,000 \text{ 1m} \times .02 \text{ 1m} = €5,480$</p> <p style="text-align: right;">$€92,800 \text{ 1m} \times .20 \text{ 1m} = €18,560$</p>
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(a) Complete the Income Statement for Cupán Eco Ltd for year ended 31/12/2022. (18m)

Income Statement of Cupán Eco Ltd for the year ended 31/12/2022			
	€	€	€
Sales			268,600
Less cost of sales			
Stock 01/01/2022		14,000	
Purchases		121,000	
Carriage inwards		9,000	
		144,000	
Less stock 31/12/2022		25,000	119,000
Gross Profit			149,600
Less Expenses: 1m			
Insurance		6,600 1m	
Advertising		42,400 1m	
Wages		52,000 1m	
Light and Heat		15,000 1m	
Depreciation on Buildings	5,480 3m O.F		
Depreciation on Equipment	18,560 3m O.F	24,040	
Total Expenses			140,040
Net Profit 1m			9,560 2m OF
Less Dividend Paid			9,200 1m
			360
Add Profit and Loss Balance 01/01/22 / Opening reserves			48,000 1m
P&L balance 31/12/22 / Closing reserves/retained profit/earnings 1m			48,360 1m OF

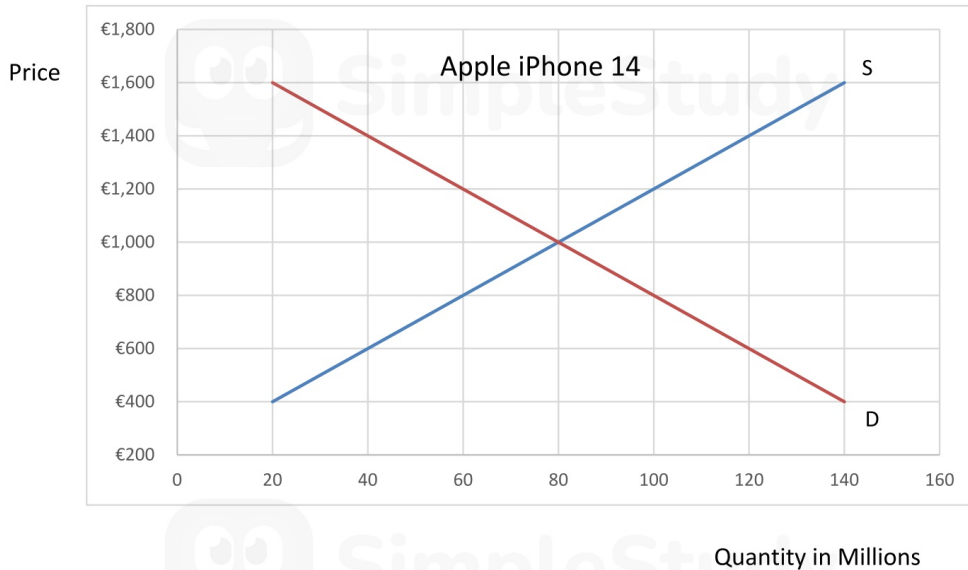
(b) Prepare the Statement of Financial Position for Cupán Eco Ltd as at 31/12/2022. (24m)

Statement of Financial Position of Cupán Eco Ltd as at 31/12/2022			
	Cost	Dep	N.B.V.
Fixed Assets 1m	€	€	€
Buildings	274,000 1m	5,480 1m OF	268,520 1m OF
Equipment	92,800 1m	18,560 1m OF	74,240 1m OF
	366,800	24,040	342,760
Current Assets 1m			
Cash	21,600 1m		
Debtors	20,000 1m		

Closing Stock 31/12/22	25,000 1m	66,600	
Current Liabilities/Creditors amounts falling due within 1 year 1m			
Creditors	14,000 1m		
Bank Overdraft	7,000 1m	21,000	
Working Capital 1m			45,600 1m OF
Total Net Assets 1m			388,360 1m OF
Financed by: 1m	Authorised	Issued	
Share Capital €1 Ordinary Shares	600,000 1m	340,000 1m	
Profit & Loss Balance 31/12/22 / Closing reserves / Retained profit		48,360 1m OF	
Capital Employed 1m			388,360 1m OF

Question 17

(b) Apple iPhone 14



(i) Use the above diagram to answer each of the following questions. Write your answers in the spaces provided. (9m)

Indicate the equilibrium quantity demanded of the 'Apple iPhone 14'.	80 m	Units
Indicate the equilibrium price of the 'Apple iPhone 14'.	€ 1,000	
Indicate the quantity demanded of the 'Apple iPhone 14' at €1,600.	20 m	Units

(ii) Explain the term substitute good and give an example of a substitute good for the 'Apple iPhone 14'.

Explanation: (3m)
A Substitute good is an alternative/similar/replacement good that could be used for the same purpose.
Example: (1m)
Samsung Galaxy, Google Pixel 7, Google Pixel 6a, Android, iPhone 13, iPad, laptop

(iii) If there was a reduction in supply of Apple iPhones, what impact would this have on the price of Apple iPhones? Give a reason for your answer. (5m)

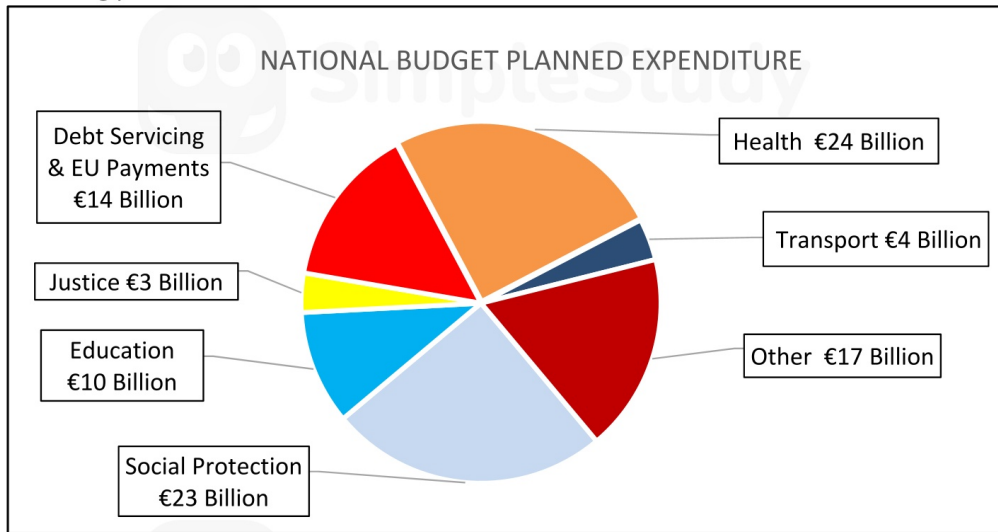
Impact: Prices would increase.
Reason: Due to the reduction in supply, prices will increase due to scarcity/rarity/less goods available.

(iv) What impact would the following have on the supply of the Apple iPhone 14? Place a tick (✓) in the correct box. (9m)

	Increased supply of Apple iPhone 14	Decreased supply of Apple iPhone 14
Decrease in the cost of producing an Apple iPhone 14	✓	
Industrial action by Apple employees		✓
A storm blew the roof off a factory producing the Apple iPhone 14		✓

Question 18

- (c) The figures below were presented on budget day for a country as projections for the following year.



- (i) Using the information from the pie chart above prepare the National Budget for the following year.

National Budget for the year		
	€ Billions	€ Billions
Income		105
Expenditure		
Health	24 1m	
Transport	4 1m	
Other	17 1m	
Social Protection	23 1m	
Education	10 1m	
Justice	3 1m	
Debt Servicing & EU Payments	14 1m	
Total Expenditure		95 1m
	Answer:	€ 10 1m O.F
Is the government budget for the year a deficit or surplus?		Surplus 2m O.F

- (ii) Using the pie chart of National Budget Planned Expenditure, on the previous page, identify the sector the government plans to spend most money on next year. **(4m)**

Health

- (iii) In the event of a surplus in the National Budget, advise the Minister for Finance what to do with the surplus money? **(2m)**

Repay some of the National Debt.
Increase Government spending on any Government Dept. e.g., Education.
Use some of the surplus to improve public services e.g., build more hospitals and employ more doctors
Invest the surplus money.

(iv) Identify **one** example of capital expenditure and **one** example of current expenditure for the Department of Education. **(4m)**

Capital expenditure: Building schools/colleges/buying school equipment, school chairs/school tables.
Current expenditure: Paying teachers/ staff/ lecturers/SNA's wages.

Question 19

Question 18

- (a) Kevin lives with his parents in Emo, Co Laois. He recently passed his driving test and bought a car. He is now considering his motor insurance options.
- (i) Read the following definitions of some of the principles of insurance.

	Explanation
A	A profit cannot be made from insurance
B	When the same risk is insured with more than one insurer, they will divide the cost of any claim between them
C	When applying for insurance, all material facts relating to the policy must be disclosed



Match the definitions above with the correct principle of insurance by placing A, B and C in the correct box below. (9m)

Utmost Good Faith	Indemnity	Contribution
C	A	B

Kevin is researching different car insurance policies.

- (ii) Outline one method of research Kevin could use to find the best quote for his insurance policy. **(3m)**

Price comparison websites: Online brokers compare the prices of different policies available and offer advice on the best policy for the customer.
Insurance broker: An insurance broker sells insurance for a number of companies. They can offer advice about which insurance company is best suited to a person's needs.
Contact different companies for quotes: Kevin could contact a number of different insurance companies for quotes, compare the quotes to find the best policy for him.
Ask family and friends for advice: Kevin could ask family and friends what insurance companies and policies they have chosen.

- (iii) Based on your answer above, indicate with a tick (✓) whether this method is primary or secondary research, give a reason for your answer. **(6m)**

Primary research or Secondary research accepted based on answer above.
Candidate should indicate some feature primary research linked to answer from Primary research involves gathering information through self-conducted research methods/Involves getting firsthand information from individuals/up-to-date, new information.
Student should indicate some feature secondary research linked to answer from (ii). Secondary research involves using information gathered from previously conducted studies/Involves examining existing information.

- (iv) Outline **one** responsibility Kevin has as a consumer, while shopping for insurance. **(3m)**

Kevin should read all small print, terms and conditions contained in insurance policy.
Kevin should support business that treat their employees fairly and give back to society.
Kevin should know his legal rights when shopping for insurance.
Kevin should shop around to get the best value for money.
Kevin should find out as much information as he can about the policy before he purchases it.
Utmost good faith. Kevin should always tell the truth when filling out proposal form.

- (v) Kevin purchased comprehensive insurance, with a policy excess of €500. Unfortunately, Kevin had an accident, which led to damage of €2,500 to his car.

Use the box below to calculate how much compensation Kevin will receive from his insurance company. **Show your workings. (3m)**

<p>Workings:</p> $2,500 - 500 = 2,000$	<p>Answer:</p> $€2,000$
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- (vi) Describe the impact this claim will have on Kevin's insurance premium next year. **(3m)**

Kevin will have to pay more for his car insurance next year which will result in higher/increased premium.
Kevin will lose his no claims discount/bonus.

Question 20

Question 16

- (a) Lohan Ltd, a large fashion retailer, recently closed its stores and moved all its business to online only, leaving employees without jobs or redundancy packages. This has led to a bitter industrial relations dispute between the business and its former employees.

Industrial Relations

- (i) Explain the term industrial relations. (3m)

Industrial relations refer to the relationship that exists between employers and their employees in the workplace.
Good Industrial Relations leads to high morale/ poor Industrial Relations leads to less productivity.

- (ii) Use your knowledge of industrial relations to match the following sentences to the correct terms by placing a tick (✓) in the box. (9m)

	Shop Steward	Labour Court	Trade Union
An organisation that represents workers and protects their rights.			✓
An employee selected by workers to represent them in dealing with the employer.	✓		
It investigates disputes and recommends a solution in a process known as arbitration.		✓	

- (iii) If employer/employee relations breakdown, industrial action may be taken by employees. Explain **two** types of industrial action that employees may take. (2 x 3m)

An official strike - employees refuse to work for their employer. The trade union must hold a secret ballot/ give at least one weeks' notice of strike action/ to make it an official strike.
Unofficial strike - these strikes are not supported by the Trade Union- no notice is given to the employer. Workers will not receive strike pay from the union in the event of an unofficial strike.
Wildcat/ Lightning strike - This is an unofficial strike where workers suddenly call a strike and walk out of work usually a reaction to an unexpected event.
Work to rule - Workers only do exactly what is in their job description and refuse to anything outside of this.
Go-slow - Workers still do their job but at a much slower pace.
Overtime bans - Workers refuse to do overtime.
Token stoppage - Workers stop working for a short period of time e.g., 4 hours. This will disrupt the flow of work on the day it happens.
Sympathetic strike - A strike in support of other striking workers. For example, doctors may go on strike in support of nurses.

Question 21

- (a) (i) Differentiate between **volunteering** and **employment** by answering true or false to each of the following statements. Place a tick (✓) in the correct box.

4 @ 3m each

	True	False
An employee is entitled to a fair days pay.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
A volunteer gets paid.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
An employee has legal rights.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
A volunteer must have a third level qualification	<input type="checkbox"/>	<input checked="" type="checkbox"/>

- (ii) Outline the **benefits** of volunteering for John.

2 @ 3m

It will boost John's personal satisfaction/ morale/ wellbeing.
John could create a better C.V. which could improve his job prospects in the future.
John can gain valuable experience and learn new skills.
John can develop new friendships from this experience.
By working with people from different cultures and backgrounds
It could help John become more respectful and tolerant of other beliefs.

Question 22

(iii) Outline **two** rights and **two** responsibilities Ryanair has as an employer.

Rights as an employer:

2 rights @ 3m

1.	To run a business as they see fit within employment legislation.
2.	To hire the most suitable and qualified people to fill the vacancies that may arise.
3.	To dismiss or take other appropriate action against employees due to their conduct or standard of work.
4.	To expect employees to behave in an environmentally friendly way.
5.	To expect that their employees will be loyal.
6.	To expect that their employees will respect the property of the employer.

Responsibilities as an employer:

2 responsibilities @ 3m

1.	To pay a fair day's pay for a fair day's work.
2.	To treat all employees equally and not to discriminate in any way.
3.	To operate a healthy and safe working environment.
4.	To give all their employees a written contract of employment.
5.	To promote policies for sustainable developments.
6.	To pay a fair price for materials and to pay suppliers on time.

Question 23

Question 16

(a)






Kellogg's is a global company selling well known brands such as Corn Flakes, Crunchy Nut, Rice Krispies and Coco Pops.

(i) Explain what is meant by a global company. (3m)

Many global companies operate in several countries around the world/worldwide. They conduct/sell business around the world and treat the world as one market.

(ii) Three other company logos are pictured below. Place a tick (✓) to identify which companies are global. (6m)

Company Logo			
Global	✓	✓	

(iii) Explain **two** challenges facing global companies such as Kellogg's. (6m)

Global companies have to pay very high transport costs to deliver goods outside the country of origin, increases production costs or reduce profits. There will be currency differences which will involve a financial cost. Companies deal with foreign politics, legislation, polices, which incur administration/legal costs/ time issues.
Current issues, for e.g., the delays of importing wheat from Ukraine leads to uncertainty, scarcity or delays in distribution.
Language barriers /cultural differences may create global public relations and global marketing mistakes.
Imitation by competitors, resulting in close substitutes from low cost countries leading to decreased sales/profits.