2022.M57

2022L033A1EL

Coimisiún na Scrúduithe Stáit
State Examinations Commission

Leaving Certificate Examination 2022

Business

Section 1 and Answerbook

Higher Level

Thursday 16 June Morning 9:30 - 12:30

300 marks

Examination Number

Day and Month of Birth

For example, 3rd February is entered as 0302

Centre Stamp

The 2022 examination papers were adjusted to compensate for disruptions to learning due to COVID-19. This examination paper does not necessarily reflect the same structure and format as the examination papers of past or subsequent years.

Instructions

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

Write your answers to all parts of the examination into this Answerbook. This Answerbook will be scanned and your work will be presented to an examiner on screen. Anything that you write outside of the answer areas may not be seen by the examiner.

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

There are three sections in this examination. Questions for **Sections 2** and **3** are supplied separately but your answers must be written in this Answerbook.

Candidates are required to answer:

(A) **Four** questions from **Section 1 and**

(B) **The Applied Business Question in Section 2 and**

(C) **Three** questions from **Section 3** 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.

Make and Model of calculator used:

Section 1	Short Answer Questions	40 marks

This section is compulsory. Answer four questions. Each question carries 10 marks.

1. **Column 1** is a list of business terms.
Column 2 is a list of possible explanations for these terms.
(One explanation does not refer to any of these terms.)

Column 1: Terms	Column 2: Explanations
1. Gross Domestic Product	**A** A decrease in the demand for goods and services in an economy for two consecutive quarters.
2. Economic Recession	**B** The price of one currency expressed in terms of another currency.
3. Interest Rate	**C** The sustained percentage increase in the price of goods and services in an economy from one period to the next.
4. Exchange Rate	**D** The cost of borrowing money from a financial institution.
5. Unemployment Rate	**E** Measures the value of goods and services produced in a country.
	F The percentage of people out of work but actively seeking employment.

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

1	2	3	4	5

2. In the context of business, what do the following letters stand for?
Write each answer in the space provided.

WTO	
EMU	
IDA	
FDI	
CAP	

3. **(a)** Explain the term Product Life Cycle.

(b) Outline two methods firms such as Coca Cola could use to extend a Product Life Cycle.

(i)
(ii)

4. Circle the **correct option** in the case of **each** of the following statements.

(i) **Maslow / McGregor** believed that once a need is satisfied the need immediately above in the hierarchy becomes the dominant motivator.

(ii) **Theory X / Theory Y** managers believe workers are hardworking and self-motivated.

(iii) Workplace friendships satisfy **social / safety** needs.

(iv) There is a **high / low** staff turnover if managers trust and respect employees.

(v) **Physiological / Self-actualisation** needs are satisfied by challenging work.

5. Draft an email from Mike Hannon, Sales Manager to all staff at superstore.ie outlining **two** rights customers have under General Data Protection Regulation (GDPR).

Recipients:	
Subject:	

6. The rate of inflation in Ireland is currently soaring as the cost of energy, transport and housing has accelerated on the back of pent-up demand and supply chain bottlenecks.

Adapted from The Irish Times

Explain how the Consumer Price Index works.

7. Write **True** or **False** after **each** of the following statements.

	Statement	**True or False**
1.	The treasurer is responsible for taking the minutes of a meeting.	
2.	A disadvantage of meetings is that they allow for clarification and feedback.	
3.	An extraordinary general meeting of shareholders must take place annually.	
4.	AOB is usually listed at the top of a meeting agenda.	
5.	A quorum refers to the number of members/shareholders who must be present before a meeting can take place.	

8. **(i)** Explain the term protectionism.

(ii) Outline two protectionist measures that are used by governments/trading blocs.

(i)
(ii)

9. The following information is supplied by Fleming Ltd.

- Forecasted Output (Sales) 75,000 units
- Fixed Costs €55,000
- Selling price per unit €6
- Variable Costs per unit €2.50

Using the information provided above calculate the following:

		Workings	Answer
(a)	Total Revenue at forecasted output		**€**
(b)	Total Costs of Production at forecasted output		**€**
(c)	Profit at forecasted output		**€**
(d)	Breakeven point (BEP) in units (It is not necessary to draw a breakeven chart)		**Units**

10. Distinguish between visible imports **and** import substitution.
Provide examples to support your answer.

11. Outline two ways to minimise bad debts for a business.

(i)
(ii)

12. Kellie Murphy started a new job. She registered her details on the revenue website my account.
Calculate the amount of **PAYE** Kellie Murphy will pay annually. **Show your workings**.

Kellie has a salary of €42,600.
PAYE is to be calculated as 20% on the first €36,800 and 40% on the balance.
Kellie has the following tax credits; personal tax credit €1,700, employee tax credit €1,700.

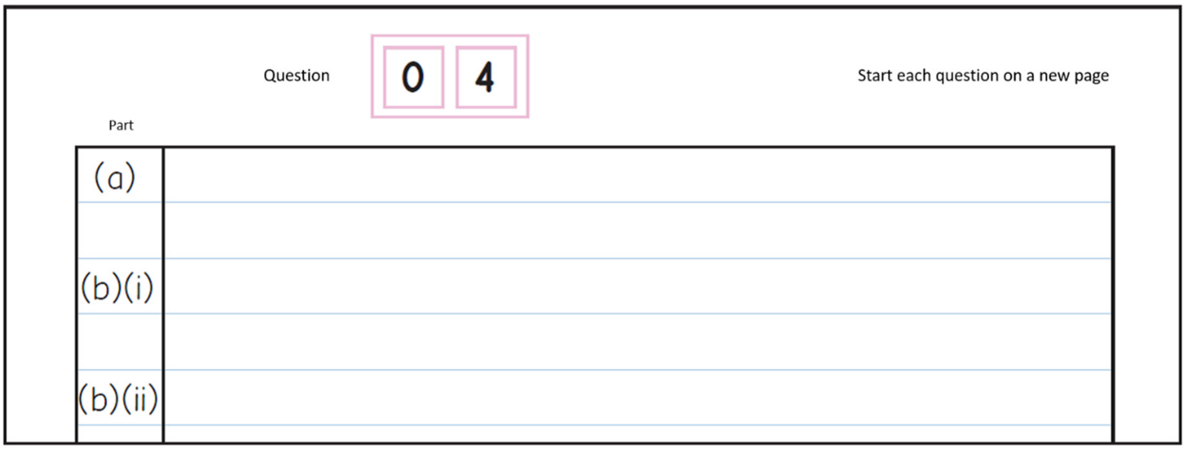
Show Workings: PAYE	**Show Workings:** Tax Credits

Name: Kellie Murphy		**€**	**€**
Gross Pay			**42,600**
Deductions			
PAYE			
Tax Credits			
PAYE Due			

Answerbook for Sections 2 and 3

Instructions

Questions for **Sections 2** and **3** are supplied separately.
Start each question on a new page. Write the question number in the box at the top of each page.
Use the left-hand column to label each part, as shown below.



Two pages of graph paper are provided in this Answerbook. On pages with graph paper, the box for the question number is at the bottom of the page.

You do not need to use all of the pages in this Answerbook. If you run out of space in this Answerbook, you may ask the superintendent for more paper or graph paper.

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

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Leaving Certificate – Higher Level

Business Section 1 and Answerbook

Thursday 16 June

Morning 9:30 - 12:30

Coimisiún na Scrúduithe Stáit
State Examinations Commission

Leaving Certificate Examination 2022

Business – Higher Level

Sections 2 and 3

Thursday 16 June Morning 9:30 - 12:30

Candidates are required to answer:

The Applied Business Question in Section 2 AND

Three questions from **Section 3** 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 3 carry equal marks.

Do not hand this up

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Section 2 Applied Business Question 80 marks

This is a compulsory 80-mark question based on Units 4, 5 & 6.

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

Mike's Pizza

Mike Ryan was a carpenter who retrained as a chef. In 2012 he followed his passion for pizza and established 'Mike's Pizza' selling Neapolitan Wood Fire Pizza. Mike grew his business organically and has expanded by opening new restaurants in Cork and Waterford. In 2020 the business was forced to close as part of the Covid 19 restrictions. When the business was allowed to re-open, they had to change their service model. Mike invested in an online ordering system that allowed consumers to order and make reservations via smartphones. Employees were given training in the new systems, contact tracing and new health and safety guidelines. Initially, the employees were apprehensive and weary of the new changes. Management then turned to their employees to help shape the changes. At a meeting, the employees recommended reducing the menu and also suggested creating new take-away hatches at the business premises. A chef at the Waterford restaurant also suggested that they should source a food truck for local markets. A small team was established to work on this project.

The food truck was a huge success, the take-away business model allowed for excellent profit margins. As a street food and casual dining culture gained popularity in Ireland, Mike decided to further grow the business and brand through franchising. He conducted a strict vetting process. He chose two franchisees to open new restaurants in Galway and Kildare under a franchise business model. Legal advice was sought to ensure his franchise agreement clarified procedures, regulations, fees and profits.

It is very important for Mike to maintain the values of 'Mike's Pizza' whilst managing the growth of the business. He believes in treating people fairly. Whilst many competitors in the industry experienced staff shortages, 'Mike's Pizza' has attracted and retained a loyal, enthusiastic team of staff. Mike also insisted on sourcing high quality organic raw materials. He always endeavours to source his ingredients from sustainable producers. Building relationships has been vital to funding expansion. Mike maintains open and regular communications with his investors. Mike also runs competitions on social media to reward his customers who like and share his content.

(A) Outline the different strategies that can be used to manage change. Refer to the text in your answer. (30)

(B) Evaluate the **two** methods of expansion used by Mike's Pizza. (20)

(C) **(i)** Discuss the social responsibilities of Mike's Pizza to its stakeholders.

(ii) Analyse **one** implication for Mike of the business meeting its social responsibilities. (30)

Section 3 — 180 marks

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

Answer **Three** questions from **Section 3** 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 60 marks.

Part 1
People in Business/Business Environment

Question 1 — **People in Business**

Read the information supplied and answer the questions which follow.

> Public service unions affiliated to the Irish Congress of Trade Unions overwhelmingly endorsed the new public service agreement. Adapted from Independent.ie

(A) **(i)** Explain the term trade union.

(ii) Illustrate the impact of trade disputes on any **three** stakeholders. (20)

(B) Outline the non-legislative methods of resolving industrial relations disputes. (15)

(C) **(i)** Define the term discrimination as set out in the Employment Equality Act 1998-2015.

(ii) List **five** grounds on which discrimination is banned under the Employment Equality Act.

(iii) Outline the role of the Workplace Relations Commission in resolving cases of discrimination. (25)

Question 2	Domestic Environment

Read the information supplied and answer the questions which follow.

Braw

Anna Coffey Lynch is an Irish artisan chocolatier. She started her own business, Braw Chocolates, in the middle of the Covid 19 pandemic.

Adapted from properfood.ie

(A) Evaluate **one** of the following types of limited companies as a business ownership option.

(i) A Private Company Limited by shares (LTD company).

or

(ii) A Designated Activity Company (DAC). (20)

(B) Discuss how the Irish Government could create a positive climate for businesses like Braw Chocolate. Use examples to illustrate your answer. (20)

(C) **(i)** Distinguish between the primary sector **and** the tertiary sector of the economy.

(ii) Outline the current trends affecting businesses in the tertiary sector of the Irish economy. (20)

Question 3	International Environment

Read the information supplied and answer the questions which follow.

> Enterprise Ireland is the government organisation responsible for the development and growth of Irish enterprises in world markets. It works in partnership with Irish enterprises to help them start, grow, innovate and win export sales in global markets.
>
> ENTERPRISE IRELAND
>
> Adapted from enterpriseireland.ie

(A) Outline the challenges of global marketing that an Irish business may face when trading internationally. (20)

(B) **(i)** Illustrate, by using an example, your understanding of the term an indigenous business.

(ii) Discuss the benefits for large indigenous businesses of exporting to new markets.

(20)

> The 1st January 2023 will be the 50th anniversary of Ireland joining the EEC (which is now known as the European Union).

(C) Describe the role of the European Commission **and** the European Parliament in the decision making process of the European Union. (20)

Question 4	People in Business

Read the information supplied and answer the questions which follow.

The EU Directive on Unfair Commercial Practices became law in Ireland through the Consumer Protection Act 2007. Under the Act, a range of unfair, misleading, and aggressive trading practices are prohibited.

(A) Explain the provisions of the Consumer Protection Act 2007, with reference to the following:

1. Price display regulations.
2. Providing misleading, false or inaccurate information.
3. Enforcement of the act. (20)

Consumers are protected when dealing with **retailers** and when using **public services**.

(B) **(i)** Outline the role of The Office of the Ombudsman.

(ii) Describe **two** features of the Small Claims Procedure/Small Claims Court. (20)

Breach of Contract occurs when one party in a legally binding contract does not honour/fulfil their part of the legal agreement.

(C) Outline **three** remedies for Breach of Contract. (20)

Part 2
Enterprise

Question 5 **Enterprise/Managing**

Read the information supplied and answer the questions which follow.

M6 Motors

Alan Naughton is an entrepreneur who set up M6 Motors in 2011. The business is now one of the leading car sourcing companies in Ireland. As the business grew Alan expanded his workforce. The company specialises in high specification cars at competitive prices.

(A) Evaluate **two** leadership styles the business manager at M6 Motors could adopt, provide reasons for your choice. (20)

(B) Discuss how stock control and quality control achieve efficiencies for a business such as M6 Motors. (20)

(C) **(i)** Explain the term intrapreneurship.

(ii) Outline **three** methods a business could use to encourage intrapreneurship. (20)

Question 6	Managing

Read the information supplied and answer the questions which follow.

The increase in the numbers of employees now working remotely from home has changed the traditional office beyond recognition. The role of the Human Resources (HR) Manager has never been more important.

(A) **(i)** Discuss any **three** functions of the HR Manager in a business.

(ii) Analyse the impact of remote working on **one** of the Human Resource Management functions. (20)

(B) **(i)** Explain the term risk management.

(ii) Outline the different ways a business can minimise risks. (20)

(C) Compare the similarities and differences for businesses and households in relation to taxation. Use any **three** of the following headings to structure your answer: (20)

Corporation Tax   PAYE   Capital Gains Tax   Local Property Tax (LPT)

Question 7	Managing/Business in Action

Read the information supplied and answer the questions which follow.

The Cleaning Crew

The Cleaning Crew, a home and industry cleaning company based in Wexford, has seen growth in demand for its services across the south. It is considering expanding the company across Ireland based on research undertaken. Management are considering all finance options to fund expansion.

(A) The following figures are taken from the final accounts of The Cleaning Crew for 2021 and 2020.

The Cleaning Crew	2021	2020
Authorised Share Capital	€750,000	€750,000
Issued Share Capital	€460,000	€300,000
Long-term Loan	€150,000	€250,000
Retained Earnings	€140,000	€120,000

(i) Explain the term Debt/Equity Ratio.

(ii) Calculate the Debt/Equity Ratio for 2021 and 2020. Show your workings.

(iii) Comment as to whether the Debt/Equity Ratio has improved or disimproved?

(25)

(B) Apart from the Debt/Equity Ratio, discuss the factors a business should consider when choosing a source of finance. (20)

(C) Outline the importance of businesses engaging in market research. (15)

Question 8	Business in Action

Read the information supplied and answer the questions which follow.

Spotlight Oral Care
Created by Dentists

Spotlight Oral Care, a Galway based company, was set up by sisters and dentists Dr Lisa & Dr Vanessa Creaven and Dr Barry Buckley in 2016. The company has developed a product portfolio for specific consumer oral care needs. Distribution channels include both online selling and the use of retailers in Europe, the UK and the US.

Adapted from rte.ie

(A) **(i)** Explain the term channel of distribution.
(ii) Draft a diagram of a channel of distribution that Spotlight Oral Care might use.
(iii) Outline **two** implications of using this channel of distribution. (25)

(B) In relation to the product element of the marketing mix explain the factors a business must consider when designing a new **or** a revised product. (15)

(C) Outline your understanding of any **three** of the following types of advertising listed below. Provide an example in each case to support your answer.

1. Persuasive advertising
2. Informative advertising
3. Generic advertising
4. Competitive advertising**.** (20)

There is no examination material on this page

Do not hand this up

Leaving Certificate 2022 – Higher Level

Business – Sections 2 and 3

Thursday 16 June
Morning 9:30 – 12:30