



Coimisiún na Scrúduithe Stáit
State Examinations Commission

Leaving Certificate 2024

Marking Scheme

Business

Higher 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 HIGHER LEVEL 2024
MARKING SCHEME

SECTION 1
(80 Marks)

This is a compulsory section.
Answer 8 questions. Each question carries 10 marks.

Question	Scheme	Marks
1.	$3+2+2+2+1$	10
2.	$3+2+2+2+1$	10
3.	(i) $4m(2+2)$ (ii) $6m(3+3)$	10
4.	$3+2+2+2+1$	10
5.	$2@5m(3+2)$	10
6.	$2@5m(3+2)$	10
7.	$3+2+2+2+1$	10
8.	$2@5m(3+2)$	10
9.	(i) $6m(1+1+2+2)$ (ii) $4m(2+2)$	10
10.	$4m(2+2) + 3m(2+1) + 3m(2+1)$	10
11.	$10m(4 + 3 + 3)$	10
12.	(i) $4m(2+2)$ (ii) $6m(2+2+1+1)$	10
Section 1	Available Marks	80

SECTION 2
(80 Marks)

New Age Care Ireland Ltd

Applied Business Question (Units 1,2,3,) This is a compulsory question.			Max Mark
(A)	Outline the entrepreneurial skills/characteristics displayed by the owner of New Age Care Ireland Ltd. Refer to the text in your answer.	10m(4+3+3) 5m(2+2+1) 5m(2+2+1)	20 marks
(B)	<p>(i) Define the term a contract.</p> <p>(ii) Discuss the essential elements of a valid contract that exist for New Age Care Ireland Ltd.'s purchase of land. Refer to the text in your answer.</p>	<p>6m(3+3)</p> <p>10m(4+3+3) 7m(3+2+2) 7m(3+2+2)</p>	30 marks
(C)	Evaluate how James's management skills have contributed to the success of New Age Care Ireland Ltd. Refer to the text in your answer.	<p>3@10m(4+3+2+1)</p> <p>Name, contribution explained, link, evaluate</p>	30 marks
Section 2	Available Marks		80 marks

In answering the questions on the ABQ, candidates must make use of relevant knowledge and understanding gained in the subject while studying the course in addition to the relevant links from the ABQ.

In relation to the links given, they **must** be a direct relevant quote/phrase/statement from the ABQ indicating that candidates clearly understand the point(s) of theory presented. Separate links are required in each section. No link awarded without relevant theory.

Section 3
(240 marc)

Answer four questions from **Section 3** as follows:

One question from **Part 1**, **one** question from **Part 2** and **two** questions from either **Part 1** or **Part**

2. All questions carry equal marks.

Part 1

People in Business / Business Environment

Question 1 People in Business			Max Mark
(A)	(i) Explain the term breach of contract.	6m(4+2)	20
	(ii) Illustrate the remedies available for a breach of contract.	2@7m(2+2+3)	
(B)	(i) Describe three features of the Small Claims Procedure for resolving conflict.	3@5m(2+3)	20
	(ii) Recommend one way you think the Small Claims Procedure could be improved. Provide a reason for your answer	5m(2+3)	
(C)	(i) List three grounds, under which a dismissal can be deemed unfair according to the Unfair Dismissals Act 1977/2015	3@2m	20
	(ii) Outline three procedures an employer should follow when dismissing an employee, under the Unfair Dismissals Act 1977/2015	2@5m(2+3) 1@4m(2+2)	
Available Marks			60

Question 2 Domestic Environment			Max Mark
(A)	(i) Distinguish between economic growth and interest rates. (ii) Outline the impacts of an increase in interest rates on Irish businesses.	2@5m(2+3) 2@5m(2+3)	20
(B)	(i) Illustrate your understanding of the term the primary sector. (ii) Discuss the current trends in the primary sector of the economy.	5m(2+3) 3@5m(2+3)	20
(C)	(i) Explain the term business ethics. (ii) Outline how a business may encourage their employees to be ethical.	5m(2+3) 3@5m(2+3)	20
	Available Marks		60

Question 3 International Environment			Max Mark
(A)	<p>(i) Explain the term Balance of Payments.</p> <p>(ii) Calculate the Balance of Trade and the Balance of Payments using the data above. State whether your answer is a surplus or a deficit. Show your workings</p>	<p>6m(3+3)</p> <p>14 marks BOT 6marks BOP 8marks (formula 1 mark and each correct figure 1 mark, € sign 1 mark, surplus/deficit 1 mark)</p>	20
(B)	Apart from taxation, discuss the reasons why multinational companies locate in Ireland	4@5m(2+3)	20
(C)	<p>(i) Distinguish between the terms the standardised marketing mix and the adapted marketing mix.</p> <p>(ii) Explain the importance for Ireland of any one of the following policies of the European Union.</p> <ul style="list-style-type: none"> • Common Agricultural Policy • EU Social Policy • EU Competition Policy 	<p>2@5m(2+3)</p> <p>2@5m(2+3)</p>	20
	Available Marks		60

Question 4 People in Business			Max Mark
(A)	(i) Define the term trade dispute as set out under the Industrial Relations Act 1990.	8m(2+3+3)	20
	(ii) Describe three types of official industrial action.	3@4m(2+2)	
(B)	(i) Illustrate the difference between lobbying and negotiation.	2@5m(3+2)	20
	(ii) Outline two benefits of trade unions to an employee.	2@5m(3+2)	
(C)	Evaluate the role of the Competition and Consumer Protection Commission (CCPC).	4@4m(2+2) EV 2, EV 2	20
Available Marks			60

Part 2

Enterprise

Question 5 Enterprise/Managing			Max Mark
(A)	Explain reasons why an individual may become an entrepreneur.	3@5m(2+3)	15
(B)	(i) Distinguish between the terms span of control and chain of command.	2@5m(2+3)	25
	(ii) Discuss the benefits of a matrix organisation structure for a business such as IKEA	3@5m(2+2+1)	
(C)	Outline, using an example, the impact of technology for management in a business such as IKEA in relation to; (i) Design of Products (ii) Manufacturing (iii) Marketing (iv) Human Resource Management	4@5m(2+2+1)	20
	Available Marks		60

Question 6 Managing			Max Mark
(A)	<p>(i) Explain the reasons Jackson Ltd would prepare a cashflow forecast.</p> <p>(ii) Calculate the figures represented by the letters A, B and C on the cashflow forecast. (Show answers in the answer book)</p> <p>(iii) Outline two ways Jackson Ltd might deal with a problem identified in the above cashflow forecast.</p>	<p>2@5m(2+3)</p> <p>7m(3+2+2)</p> <p>2@4m(2+2)</p>	25
(B)	Discuss the differences in managing a household and managing a business in relation to taxation.	3@5m(2+3)	15
(C)	<p>(i) Explain, using examples the following three principles of insurance; Utmost Good Faith Indemnity Insurable Interest</p> <p>(ii) Identify one type of insurance policy and explain why the insurance company might deem the risk uninsurable.</p>	<p>3@5m(2+3)</p> <p>5m(2+3)</p>	20
Available Marks			60

Question 7 Business in Action			Max Marks
(A)	<p>(i) Explain the term batch production.</p> <p>(ii) Discuss the implications for 4th ARQ of changing from batch production to mass production process.</p>	<p>5m(2+3)</p> <p>3@5m(2+2+1)</p>	20
(B)	<p>Contrast a Sole Trader and a Private Limited Company as forms of business ownership, using the following headings:</p> <p>Formation Liability Finance Control</p>	4@5m(2+3)	20
(C)	<p>(i) Explain any three of the following financial business terms.</p> <ul style="list-style-type: none"> • Liquidity • Profit and Loss Account • Debtors • Dividends <p>(ii) Outline one financial ratio used to measure the profitability of a business.</p>	<p>3@5m(2+3)</p> <p>5m(2+3)</p>	20
Available marks			60

Question 8 Business in Action			Max Marks
(A)	<p>(i) Explain the term premium pricing.</p> <p>(ii) Outline the factors businesses may consider before deciding on a price for their product or service. Provide examples to support your answer.</p>	<p>5m(2+3)</p> <p>3@5m(2+2+1)</p>	20
(B)	<p>(i) What do the letters ASAI stand for?</p> <p>(ii) Distinguish between generic advertising and persuasive advertising.</p> <p>(iii) Outline an advertising medium you would recommend for two of the businesses listed below. Provide a reason to support each recommendation.</p> <ul style="list-style-type: none"> • Rolex watches • Adare Manor Hotel and Golf Resort • Prime Hydration drinks 	<p>4m</p> <p>2@5m(2+3)</p> <p>1@6m(3+3)</p> <p>1@5m(3+2)</p>	25
(C)	Describe different sales promotions techniques that a business could use to promote a new or existing product. Use examples to support your answer.	3@5m(2+2+1)	15
Available marks			60

Support Notes

Section 1

Question			Possible Responses	Max Mark									
1.				10									
			<table border="1" style="margin: auto;"> <tr> <td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr> <tr> <td>B</td><td>D</td><td>F</td><td>A</td><td>E</td></tr> </table>	1	2	3	4	5	B	D	F	A	E
1	2	3	4	5									
B	D	F	A	E									

Question			Possible Responses	Max Mark
2.				10
			IDA	Industrial Development Agency
			CEO	Chief Executive Officer
			ECB	European Central Bank
			CRO	Companies Registration Office
			WTO	World Trade Organisation
				3+2+2+2+1

		Possible Responses	Max Mark
3.	(i)	<p>Explain the term Community Development</p> <p>Community development refers to the development of local areas and local communities socially and economically through the efforts of local citizens and residents.</p> <p>The development is locally based & is about self-help as opposed to depending on the government or outside agencies to help them develop.</p>	4m(2+2)
	(ii)	<p>Outline one service offered by a community development organisation of your choice</p> <p>Grants: Community development organisations such as Leader provide funding to help with community initiatives. E.G. Rural farmer receiving funding to establish a jam making business.</p> <p>Advice: Community development groups receive advice from community development organisations such as the leader programmes, APC's, Pobal etc on how to develop their idea.</p> <p>Accept relevant points on; Training workshops, Mentoring, Premises etc.</p>	6m(3+3)

Question		Possible Responses	Max Mark
4.		<p>(i) The difference between the target output in units and the break-even point in units is referred to as the <i>total revenue/margin of safety</i>.</p> <p>(ii) A break-even chart <i>does/does not</i> consider economies of scale.</p> <p>(iii) In a break-even chart the <i>fixed costs/total costs</i> remain the same irrespective of an increase in the output of units.</p> <p>(iv) The total revenue in a break-even chart is calculated by multiplying the forecast output in units by the <i>variable cost per unit/ selling price per unit</i>.</p> <p>(v) A product makes a profit/loss before it reaches the break-even point on a break even chart.</p>	<p>10</p> <p>3+2+2+2+1</p>

		Possible Responses	Max Mark
5.		<p>Outline two functions of the European Parliament</p> <p>Discusses and debates proposed new laws:</p> <p>The European Parliament receive proposals for new legislation from the European Commission. The EU Parliament discuss, review and debate the proposed legislation</p> <p>Proposes amendments to draft legislation:</p> <p>The EU Parliament discuss, review and debate the proposed legislation and may seek amendments to the draft legislation. They give feedback to the EU commission on amendments to the new laws.</p> <p>Approves the annual EU budget and monitors spending:</p> <p>The European Parliament approve the EU budget and monitor the spending of the EU funds by each country and institution.</p> <ul style="list-style-type: none"> • Vets members of the European Commission • Supervisory powers 	2@5m(3+2)

Question		Possible Responses	Max Mark
6.		<p>Distinguish between an Embargo and a Quota.</p> <p>Embargo: This is a total ban on the import of goods from one particular country. It is often done for political reasons. Example: The American government placed a blanket embargo on the import of UK beef because of the high levels of BSE in the UK.</p> <p>Quota: Quotas are limits imposed on the import of goods and services. Quotas are used as a trade barrier to limit the amount of a certain type of product and or the amount of goods from a certain country that can be imported. Example: The UK imposed quotas on the import of poultry, steel, .</p> <p>The USA imposing an quota on beef that can be imported from Canada.</p> <p>The EU imposing a quota on the beef and lamb produce that can be imported from outside the EU.</p>	<p>10</p> <p>2@5 (3+2)</p>

Question			Possible Responses	Max Mark
7.				10 3+2+2+2+1
			1 True	
			2 False	
			3 False	
			4 False	
			5 True	

Question			Possible Responses	Max Mark
8.			Distinguish between two types of management control commonly used in a business.	2@5m(3+2)
			Quality Control: Ensuring that the product and service standards expected by customers are properly met. Quality control involves regularly measuring the standards of the goods and services.	
			Credit control: Monitoring which customers are given credit, for how long and ensuring they pay it on time. Credit control involves checking the creditworthiness of debtors and putting in place measure to ensure prompt payments.	
			Stock Control: Ensures businesses have the right quantity and type of goods in stock at the right time, without incurring stockholding costs. Stock control increases consumer satisfaction and reduces costs.	
			Financial Control: Financial control involves measuring the financial performance of the business against cashflow forecasts and budgets.	

Question		Possible Responses	Max Mark
9.	(i)	$\textcircled{1} \frac{250,000}{300,000} \times \frac{60,000}{1} \textcircled{2} : \text{€}50,000 \textcircled{1}$ $\textcircled{1} \qquad \qquad \qquad \textcircled{1}$	6m
	(ii)	<p>Explain the role of the assessor in insurance</p> <p>An assessor in insurance is involved in calculating the compensation to be received. An assessor is a person who evaluates insurance claims to ensure the individual claiming receives justifiable compensation. They review all aspects of the claim, such as damages, people involved, gardai reports and medical reports.</p> <p>Or an assessor works on your behalf and will negotiate with your insurer to settle your claim. This includes negotiating the settlement figure.</p>	4m(2+2)

Question		Possible Responses	Max Mark															
10.		List three public relations methods commonly used by businesses. Provide an example for each method	4m(2+2) 3m(2+1) 3m(2+1)															
		<table><tr><th></th><th>Public Relations Method</th><th>Examples</th></tr><tr><td>1.</td><td>Celebrity Endorsements/Social Media Influencers</td><td>Adidas paying David Beckham to wear their sportswear.</td></tr><tr><td>2.</td><td>Sponsorship</td><td>Allianz sponsoring the GAA National League.</td></tr><tr><td>3.</td><td>Press Release/News Conference</td><td>Car manufacturer such as Volkswagen issuing publicity information about a new product.</td></tr><tr><td></td><td>Other relevant methods with appropriate examples – Public Service Activities/Charity Partnerships, Roadshow/Exhibition/Open Day</td><td></td></tr></table>		Public Relations Method	Examples	1.	Celebrity Endorsements/Social Media Influencers	Adidas paying David Beckham to wear their sportswear.	2.	Sponsorship	Allianz sponsoring the GAA National League.	3.	Press Release/News Conference	Car manufacturer such as Volkswagen issuing publicity information about a new product.		Other relevant methods with appropriate examples – Public Service Activities/Charity Partnerships, Roadshow/Exhibition/Open Day		
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Question		Possible Responses	Max Mark
11.		<p>Illustrate your understanding of a Joint Labour Committee.</p> <p>A Joint Labour Committee (JLC) is an independent body made up of equal numbers of employer and worker representatives. A JLC sets the employment conditions and minimum rates of pay for employees in a certain sector, for example, contract cleaning. JLCs are set up by the Labour Court following an application from either:</p> <ul style="list-style-type: none"> • The Minister for Enterprise, Trade and Employment • A trade union • Any organisation that represents the workers or the employers involved <p>The chairman and substitute chairman of a JLC is appointed by the Minister for Enterprise, Trade and Employment.</p> <p>Examples of current JLC's include: agricultural workers, Catering, contract cleaners, early learning, hairdressing, hotels, security industry, retail and grocery sector and English language schools</p>	10m(4+3+3)

Question		Possible Responses	Max Mark
12.	(i)	<p>Explain the term teamwork</p> <p>A group of individuals/employees working together to achieve a certain objective.</p>	4m(2+2)
	(ii)	<p>Name the four stages of team development</p> <p>Forming Storming Norming Performing</p>	6m(2+2+1+1)

SECTION 2

Question		Possible Responses	Max Mark
(A)		<p>Outline the entrepreneurial skills/characteristics displayed by the owner of New Age Care Ireland Ltd. Refer to the text in your answer.</p>	10m(4+3+3)
		<p>Risk Taker Entrepreneurs are not afraid to take risks. They are willing to take the personal and financial risk involved in setting up a business.</p> <p>‘New Age Care Ireland Ltd is a nursing home business that was established by James Bradley in 2002’</p> <p style="text-align: center;">Or</p> <p>‘James gave up his job in industry to manage the operations of the business.’</p> <p style="text-align: center;">Or</p> <p>‘James was working in industry and caring for his elderly parents.’</p> <p>Creative/Innovative The ability to think outside the box and come up with new ideas/spot a gap in the market for products or services.</p> <p>‘New Age Care Ireland was one of the first nursing homes in Ireland to use social media as a promotional tool.’</p> <p style="text-align: center;">Or</p> <p>‘James was working in industry and caring for his elderly parents when he saw an opportunity to open a nursing home in the southeast of Ireland’</p> <p>Decisive/Decision making Entrepreneurs develop the ability to analyse situations when making decisions. They consult the correct people and weigh up the pros and cons of any decision.</p> <p>‘James gave up his job in industry to manage the operations of the business.’</p> <p style="text-align: center;">Or</p>	<p>5m(2+2+1)</p> <p>5m(2+2+1)</p>

		<p>'James wanted the business to offer a high-quality service and he realised he would need to recruit exceptional staff.'</p> <p style="text-align: center;">Or</p> <p>'James decided to attract employees by offering a higher salary than competitors.'</p> <p>Future Focused/ Identifying Opportunities/Proactive/Ambition/Initiative Constantly looking to the future and looking for new ways to improve the business. Keeping informed of changes in what customers want and adapting the business to meet these.</p> <p>'He saw an opportunity to open a nursing home in the southeast of Ireland.'</p> <p>Reality Perception/Realistic The ability to see situations as they really are and not how the entrepreneur would like them to be. 'James wanted the business to offer a high-quality service and she realised he would need to recruit exceptional staff.'</p> <p style="text-align: center;">Or</p> <p>'James decided to attract employees by offering a higher salary than his competitors'</p> <p>Resilient / determined / self-motivated /Confident/Self Belief Entrepreneurs are able to overcome setbacks and obstacles. 'James faced several challenges, but despite difficult times, he successfully overcame these setbacks and opened a second nursing home in 2023'</p> <p style="text-align: center;">Or</p> <p>'James developed an improved business plan and secured finance through a venture capitalist company.'</p> <p>Human Relations/Networking Entrepreneurs have to have an ability to get on with people 'James developed an improved business plan and secured finance through a venture capitalist company.'</p> <p>Independent Entrepreneurs can do things for themselves/do their own things. They like to be the ones in control 'James gave up his job in industry to manage the operations of the business.'</p>	
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			<p>Flexibility The entrepreneur has an ability to change things as required. They move with the times in order to fit in with what is happening at the moment ‘James developed an improved business plan and secured finance through a venture capitalist company.’</p> <p style="text-align: center;">Or</p> <p>Adaptability The entrepreneur is able change things as required in order to meet new standards or do something new. ‘New Age Care Ireland was one of the first nursing homes in Ireland to use social media as a promotional tool.’</p> <p>Time Management The entrepreneur lists all the things that need to be done and the time available to do them. They will then prioritise the most important ones to ensure that everything gets done on time. ‘James gave up his job in industry to manage the operations of the business’</p>	
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Question		Possible Responses	Max Mark
(B)	(i)	<p>Define the term contract.</p> <p>A contract is a legally binding agreement between two or more parties.</p>	6m(3+3)
	(ii)	<p>Discuss the essential elements of a valid contract that exist for New Age Care Ireland Ltd's purchase of land. Refer to the text in your answer.</p> <p><u>Only accept one of; Offer, Acceptance, Agreement.</u></p> <p><u>Offer</u> A promise by the person making the offer to be bound by the offer provided the terms of the offer are accepted. The offer can be made orally, in writing, or by conduct and is a clear indication of the offeror's willingness to enter into an agreement under specified terms. 'James had a bid accepted for land outside Carlow.'</p> <p style="text-align: center;">Or</p> <p><u>Acceptance</u> The second party must agree to the terms of the offer as it stands. The acceptance must be clear, complete and unconditional. 'James had a bid accepted for land outside Carlow'.</p> <p style="text-align: center;">Or</p> <p><u>Agreement</u> For agreement to exist there must be a clear, complete and unconditional offer and an acceptance of that offer by another party. 'James had a bid accepted for land outside Carlow'</p> <p><u>Consideration</u> This refers to the exchange of value in a contract. Each party in a contract must give something of value to the other party. So long as consideration exists, a court of law will not question its adequacy, provided it is of some value. Consideration is usually some monetary payment, but it could also be something valuable exchanged as part of the contract. 'The agreed fee was transferred, and ownership deeds were received.'</p>	<p>10m(4+3+3)</p> <p>7m(3+2+2)</p> <p>7m(3+2+2)</p>

		<p>Legality of form Certain contracts, to be considered legal, must be drawn up in a particular manner. Some contracts must be in writing if they are to be legally valid. ‘He received the legal documents from the sellers’ solicitor.’</p> <p>Consent to contract Both parties must enter the contract on their own free will. They must agree to the contract without undue influence. If there is no choice, there is no consent. Consent must be honest and voluntary. ‘James met his solicitors to sign the contract.’</p> <p>Intention to Contract Both parties to the contract must be aware that they are entering into a legally binding agreement that could see them in court if they fail to keep their side of the agreement. With domestic and social arrangements there is no intention to create a legally binding contract. ‘James met his solicitors to sign the contract.’</p> <p>Legality of Purpose The intention of the contract must be in full compliance with all laws ‘Investors believe in the vision to deliver a first-class service at New Age Care Ireland and plans are in place for a third nursing home.’</p>	
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(C)		<p>Evaluate how James's management skills have contributed to the success of New Age Care Ireland Ltd. Refer to the text in your answer.</p> <p>Leadership</p> <ul style="list-style-type: none"> • Leadership involves influencing and inspiring others to go in a certain direction. • Leadership involves directing and assisting people in order to ensure work is done effectively so that objectives can be met. • Types of leaders include; autocratic, democratic and laissez faire. ❖ James is a democratic leader and delegates responsibility it can lead to more effective decision making at New Age Ireland Care. ❖ Positive influence on staff morale. ❖ James changed his style and now delegates. He can spend more time in other nursing homes or spend time on other tasks. Better work life balance. Expansion of business. ❖ Delegation is sharing work, work could be done faster ❖ Giving staff more experience. ❖ Increasing staff skill set lead to success of New Age care. <p>Link 'He has changed his management style.' or 'James now delegates authority to middle management at the nursing homes.' Or 'James believes that if he looks after his staff, they will provide the highest level of care and service to the residents at New Age Care Ireland.'</p> <p>Evaluation required</p>	3@10m (4+3+2+1)
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		<p>Motivation</p> <ul style="list-style-type: none"> • Motivation involves putting factors in place that cause people to behave in certain ways. • Motivation as a management skill is the ability to know how to aid/get staff to contribute their best efforts. • Theories of motivation include Maslow and McGregor. • Reference James style of motivation, i.e. Theory Y or meeting a level of Maslow's needs. • Meets the needs of his staff. • James meets the financial and non-financial needs of staff -low levels of staff turnover and help to improve the standard of service provided. • Successful motivation leads to <ul style="list-style-type: none"> ❖ increased productivity ❖ greater intrapreneurship ❖ improved industrial relations ❖ staff retention / recruitment <p>Link</p> <p>'James presents a clear career progression path to staff as he recognises that not all employees are solely motivated by money'</p> <p>or</p> <p>'James introduced an assistance scheme for employees who wish to pursue further third level education.'</p> <p>Or</p> <p>'Targets are identified at these meetings for employees.'</p> <p>Or</p> <p>'James decided to attract employees by offering a higher salary than his competitors.'</p> <p>Or</p> <p>'James believes that if he looks after his staff, they will provide the highest level of care and service to the residents at New Age Care Ireland.'</p> <p>Evaluation required</p>	
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		<p>Communication</p> <ul style="list-style-type: none"> • Communication as a management skill involves the transfer of information between parties in a way that gets action. • Management must try to ensure there is a two-way flow in the communication channels within the organisation. Many different ways of communication. • Good communication as a management skill is essential for the effective running of a business. When a manager communicates well with staff everyone will know what to do, there will be fewer mistakes, employees will feel more involved in the running of the business and thus work harder to ensure its success. <ul style="list-style-type: none"> ❖ James communicates effectively with his employees - industrial relations issues will be minimal and issues will be resolved quickly. ❖ James finds out problems through meeting staff. Makes staff feel important. ❖ Targets are a way of measuring success. ❖ James communicates with management and staff. Regular meetings with management. ❖ Meetings are an effective way of communication because.... ❖ Appraisals are an effective way of communication because.... ❖ Target setting is an effective way of communication because.... <p>Link ‘James now holds regular meetings with his middle management team.’ or ‘James introduced staff appraisal meetings that happen annually.’ or ‘Targets are identified at these meetings for employees and staff are encouraged to voice any concerns they have.’ Or ‘James believes that if he looks after his staff, they will provide the highest level of care and service to the residents at New Age Care Ireland.’</p> <p>Evaluation required</p>	
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Section 3
(240 marks)
(Support Notes)

Answer **four** questions from **Section 3** as follows:

One question from **Part 1**, **one** question from **Part 2** and two other questions from either part 1 or part 2. All questions carry equal marks.

Part 1

People in Business / Business Environment

Question			Possible Responses	Max Mark
1	(A)	(i)	<p>Explain the term breach of contract.</p> <p>Breach of contract refers to when one party of a legal contract breaks a condition/ major part of the contract. One party to the contract fails to follow/abide/keep the conditions or a major part of the contract.</p>	6m(4+2)
	(A)	(ii)	<p>Illustrate the remedies available for a breach of contract.</p> <p>Sue for Damages/Compensation: The injured party can sue the party in breach of contract for any loss suffered because of this breach. Example Required</p> <p>Specific Performance: The court orders the party in breach of the contract to carry out the original terms of the contract as agreed. Example Required</p> <p>Rescind the Contract: The contract is set aside/cancelled and both parties revert to the position that had existed before the contract was signed. Example Required</p>	2@7m(2+2+3)

Question			Possible Responses	Max Mark
1	(B)	(i)	<p>Describe three features of the Small Claims Procedure for resolving conflict.</p> <p>The small claims procedure is a service for consumers who have a claim against a business for an unsatisfactory service</p> <p>A business can make a claim against another business relating to goods or services purchased. It does not apply to breaches of leasing agreements or debts/liquidation</p> <p>Maximum compensation: in question must not exceed €2,000.</p> <p>Low Cost: A small fee of €25 must be paid to use this procedure.</p> <p>Informal/Speed/Quick: No solicitor is required to make this claim making it cheap and easy to use.</p> <p>Convenient/Accessibility: It is a very accessible service as claims can be made through the courts online service.</p> <p>Types of Claims: Claims can be made for faulty goods, bad workmanship or minor damage to property</p>	3@5m(2+3)
	(B)	(ii)	<p>Recommend one way you think the Small Claims Procedure could be improved. Provide a reason to support your answer.</p> <p>Remove fee to encourage more cases</p> <p>Increase value of claims that can be made</p>	5m(2+3)

Question			Possible Responses	Max Mark
1	(C)	(i)	<p>List three grounds, under which a dismissal can be deemed unfair according to the Unfair Dismissals Act 1977/2015</p> <p>Union Membership Religious or political beliefs Race Pregnancy Age Member of the Traveller Community Sexual Orientation Making a protected disclosure/whistle-blowing Legal proceeding against an employer Availing of Rights such as maternity leave, adoptive leave etc Unfair selection for redundancy</p>	3@2m
	(C)	(ii)	<p>Outline three procedures an employer should follow when dismissing an employee under the Unfair Dismissals Act 1977/2015</p> <p>Informal Counselling. This pre-disciplinary procedure should be carried out to ensure the employee knows the standards expected, and should be carried out by a supervisor/manager. They are made aware of the consequences if they do not meet these standards. If this informal counselling does not bring about the required improvement the formal disciplinary procedure will be invoked.</p> <p>Formal Verbal Warning This would involve a meeting with the employee at which the employee could bring a colleague or other representative. At the meeting the employee should be advised of what the problem is and invited to respond and explain his actions. Following the meeting a confirmatory letter should be given to the employee. This letter confirms that the employee has been given a verbal/oral warning. It should also contain the improvements required of the employee in respect of the behaviour which led to the warning and the timeframe within which the improvement must be made.</p> <p>First Written Warning If there is no change to the situation, a formal written warning follows the oral warning. A copy will be given to the employee's representative. This may be followed by a final written warning, suspension without pay, transfer to another task, or section of the enterprise, demotion, some other appropriate disciplinary action short of dismissal and finally dismissal.</p>	<p>2@5m(2+3) 1@4m (2+2)</p>

		<p>Second Written Warning If the required improvement is not forthcoming within the 3-month period after the 1st written warning then a 2nd written warning may be issued. This is entirely a matter for the employer and it is common for many employers to only issue a 1st and final written warning</p> <p>Final Written Warning This warning letter will be the final one prior to dismissal so it is important that it is well drafted as it will be scrutinised closely by the employee and probably his legal advisor. This letter should only refer to the matters which have been the subject of the disciplinary procedure to date, not other matters which have never been put to the employee.</p> <p>Suspension The employee is asked not to attend work or engage in any work but will be paid pending a further investigation</p> <p>Right of Appeal The employee has the right to a fair and impartial determination of the issues concerned, taking into account any representations made by, or on behalf of, the employee and any other relevant or appropriate evidence, factors or circumstances.</p> <p>====</p> <p>In the case of Gross Misconduct the following procedures may apply:</p> <p>Suspension The employee is on paid leave pending the outcome an investigation.</p> <p>Investigation A hearing or investigation is carried out. The employee is entitled to representation.</p> <p>Sanction and Appeal Following the hearing, an employee may be sanctioned and can appeal any decision. They can also take legal action to pause the process.</p>	
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Question			Possible Responses	Max Mark
2	(A)	(i)	<p>Distinguish between economic growth and interest rates.</p> <p>Economic growth refers an increase in the value of goods and services produced in a country from one period to the next.</p> <p>Interest rates refer to the cost of borrowing capital expressed as a percentage of the amount borrowed.</p>	2@5m(2+3)

Question			Possible Responses	Max Mark
2	(A)	(ii)	<p>Outline the impacts of an increase in interest rates on Irish businesses.</p> <p>Increase costs/Reduced profits: Costs increased for Irish businesses as the interest on borrowings and the repayments of loans increases. This has reduced profitability.</p> <p>Decrease in sales: Consumers have less disposable income due to increase mortgage repayments etc. This leads to a fall in disposable income for consumers and in turn a decrease in sales for Irish businesses.</p> <p>Business confidence/expansion is less likely: Businesses are more reluctant to use debt capital to fund expansion and therefore postpone/cancel expansion plans.</p>	2@5m(2+3)

Question			Possible Responses	Max Mark
2	(B)	(i)	<p>Illustrate your understanding of the term the primary sector</p> <p>The primary sector refers extracting raw materials from natural resources. E.g. Farming, Fishing, Mining, Forestry etc.</p>	5m(2+3)
	(B)	(ii)	<p>Discuss the current trends in the primary sector of the economy.</p> <p>Climate Change More sustainable ways of farming/fishing etc needed.</p> <p>Environment reduce waste or pollution, using less chemicals in farming</p> <p>Health Concerns/Changing consumer tastes Veganism, organic foods, meat free produce has led to a change in production.</p> <p>Increases in operating costs. Operating machinery, fertiliser etc has become more expensive.</p> <p>Cost of living Consumers buying cheaper products/services from abroad.</p> <p>Staff Shortages Primary sector businesses have struggles to source the employees they need. E.g. Some businesses in the primary sector have tried to source employees from other countries.</p> <p>Increases in the price of energy/move to renewable energy. Primary sector producers such as farmers have installed renewable energy sources such as solar panels, wind energy etc.</p>	3@5m(2+3)

Question			Possible Responses	Max Mark
2	(C)	(i)	<p>Explain the term business ethics</p> <p>Business ethics are the moral rules/standards/principles that help people to make ethical (right or wrong) choices in a business.</p>	5m(2+3)
	(C)	(ii)	<p>Outline how a business may encourage their employees to be ethical.</p> <p>Code of Ethics The business should draft a code of ethics which is a formal written statement setting out the expected behaviour from a business in its dealings with stakeholders.</p> <p>Encourage “whistle blowing” Encouraging staff to report unethical behaviour by creating a climate where whistle blowing is rewarded.</p> <p>Management lead by example When senior staff is highly ethical & model ethical behaviour it will encourage subordinates to behave in a similar manner.</p> <p>Staff Training A code of ethics should be presented to staff at induction training & reminder training should include modules on ethical behaviour.</p> <p>Rewards/Disciplinary Procedures Rewards for ethical behaviour & punitive measures for those found behaving in an unethical manner</p> <p>Ethical Audit An independent outsider called an ethics auditor examines all aspects of the business: how its managed, where it buys its material etc. The auditor will then send a report to managers highlighting the areas where the business behaved ethically and outlines steps to eradicate the behaviour</p>	3@5m(2+3)

Question			Possible Responses	Max Mark
3	(A)	(i)	<p>Explain the term Balance of Payments.</p> <p>Balance of Payments refers to the difference between the total exports and total imports in a country.</p> <ul style="list-style-type: none"> • It is the difference between all physical goods and services sold to foreign based customers in other countries, and the value of the visible and invisible imports, physical goods and services purchased by Irish consumers from foreign based businesses. • Surplus may exist if the total exports are greater than the total imports • Visible exports include goods such as beef. Visible imports include cars • Invisible exports include services sold to foreign based customers such as Aer Lingus flights to American tourists 	6m(3+3)
	(A)	(ii)	<p>Calculate the Balance of Trade and the Balance of Payments using the data above. State whether your answer is a surplus or a deficit. Show your workings</p> <p>Balance of Trade</p> <p>Visible Exports – Visible Imports 1</p> <p>€ 72bn - € 34bn = € 38bn surplus</p> <p>1 1 1 1 1</p> <p>Balance of Payments=</p> <p>Total Exports – Total Imports 1</p> <p>(72bn+93bn) - (34bn+84bn) = €47bn surplus [Own Figure Allowed]</p> <p>1 1 1 1 1 1 1</p> <p>OR</p> <p>€165bn- €118bn = €47bn surplus [Own Figure Allowed]</p>	<p>BOT 6marks</p> <p>(formula and each correct figure 1mark and surplus 1 mark)</p> <p>BOP 8marks</p> <p>(formula and each correct figure 1mark and surplus 1 mark)</p>

Question		Possible Responses	Max Mark
3	(B)	<p>Apart from taxation, discuss the reasons why multinational companies locate in Ireland.</p> <p>Educated Workforce Ireland has an educated and highly skilled workforce. This gives MNC's a better pool of workers with sought after skills to choose from. The share of 30-34 year olds with a third level qualification is 53.5% compared to an EU average of 40%.</p> <p>Access to EU Market By setting up in Ireland, large companies can sell their products freely throughout the large EU market without any barriers to trade. This increases their profits.</p> <p>English Speaking English is considered the language of business and this encourages businesses to locate here as Ireland is the only country in the Economic Monetary Union whose first language is English.</p> <p>Grants/Developed Business parks MNC's can avail of generous supports offered by state agencies such as business parks or funding to reduce the cost of setting up and running their business here.</p> <p>Cluster effect The concentration of MNC's in Ireland may force domestic businesses to innovate in order to compete. This increased innovation leads to more advanced skills and knowledge being developed in an industry.</p> <p>Geographical Location Ireland acts a bridge between the US and Europe. In addition Ireland is very close to the UK which is one of the largest economy in the world.</p>	4@5m (2+3)

Question			Possible Responses	Max Mark
3	(C)	(i)	<p>Distinguish between the terms the standardised marketing mix and the adapted marketing mix.</p> <p>Standardised marketing mix refers to a business using the same tactics for their global marketing mix(global product, global price , global promotion and global place) whereas</p> <p>The adapted marketing mix refers to a business changing the global product, global price, global promotion, global place strategies to meet local considerations e.g. local culture, local language, local standard of living, distribution costs, religion etc.</p>	2@5m(2+3)

Question			Possible Responses	Max Mark
3	(C)	(ii)	<p>Explain the importance for Ireland of any one of the following policies of the European Union</p> <p>Common Agricultural Policy EU Social Policy EU Competition Policy</p> <p><u>Common Agricultural Policy</u></p> <p>Promotes a fair standard of living for farmers: The Common Agricultural Policy gives grants farmers under the single payment scheme. The EU makes these payments to farmers to help the viability of the farm business and to enhance food, safety and environmental standards.</p> <p>Free trade/No barriers or restrictions EU farmers are allowed to sell their produce to other EU member states without any barriers or restrictions. This allows Irish farmers to export to a large market.</p> <p>Improved Produce The CAP gives EU farmers grants to spend on improving their land and animals. This helps Irish farmers to produce/offer quality crops and rear quality animals, which helps increases sales and profitability.</p> <p>Protect Farmers from Competition The common agricultural policy adds tariffs to non-EU food imports to make them dearer. This will encourage consumers to buy more from farmers/producers within the European Union.</p> <p>Food Safety Standards The CAP provides for the regulation of the production of food so that all food reaches consumers in high quality. It also provides for the traceability of food – farm to fork</p> <p>Food Supply It ensures that EU countries have access to a secure and stable supply of food at reasonable prices. The consumer should not be reliant on food imports and fluctuating prices</p>	2@5m(2+3)

			<p><u>EU Social Charter</u></p> <p>Free movement of Labour Workers have the right to migrate freely which benefits employers in terms of recruitment and selection.</p> <p>Working conditions Employees have the right to fair working conditions. The establishment of the working hours directive etc. EU workers can work only a maximum of 48 hours a week. They also have the right to public holidays and pay for four weeks paid annual holiday.</p> <p>Health protection and safety Health protection and safety at work elements to the charter have forced employers to improve health and safety conditions in the work place.</p> <p><u>The Competition Policy</u></p> <p>Bans price fixing cartels: It restricts Irish businesses from forming anti-competitive cartels or keeping prices artificially high or preventing newcomers from entering the market.</p> <p>Approves mergers and takeovers to ensure fair competition: The commission has the power to control large mergers and takeovers. In doing business with smaller firms, large firms may not use their bargaining power to impose conditions which would make it difficult for their supplier or customer to do business with the large firm's competitors.</p>	
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Question			Possible Responses	Max Mark
4	(A)	(i)	<p>Define the term trade dispute as set out under the Industrial Relations Act 1990.</p> <p>A dispute between employers & employees in connection with the employment or non-employment of employees and the terms & conditions of the job.</p>	8m(2+3+3)
	(A)	(ii)	<p>Describe three types of official industrial action</p> <p>Official Strike:</p> <ul style="list-style-type: none"> • Employees refuse to enter the workplace or perform their work duties. An official strike involves a secret ballot, proper notification to the employer and sanction by ICTU. • The union members on strike hold a picket outside the workplace. <p>Work - to- rule:</p> <ul style="list-style-type: none"> • Employees only undertake the exact jobs written in their job description/contract of employment. • Workers follow the rules of their employment contracts to the 'letter of the law'. <p>Overtime ban:</p> <ul style="list-style-type: none"> • Employees refuse to work extra hours. • This can cause major disruption, leading to lost orders and lost sales, especially at peak trading times e.g. the employees in an airline refuse to do overtime during the holiday period. <p>Token Stoppage:</p> <ul style="list-style-type: none"> • A brief stoppage of work by the workers to highlight their frustration over an issue. • This highlights the intention to carry the threat of further, more serious action if agreement is not reached. <p>Go Slow</p> <p>Employees complete their duties but minimise productivity. This is designed to frustrate their employer.</p>	3@4m(2+2)

Question			Possible Responses	Max Mark
4	(B)	(i)	<p>Illustrate the difference between lobbying and negotiation</p> <p>Lobbying is trying to influence decision makers. It is a function of interest groups. Interest groups will try to influence decision makers through petitions, seminars, public meetings, information campaigns.</p> <p>Negotiation is when two or more parties share difference objectives/targets/discuss/bargain, offer and counter-offer to try to reach a compromise/mutually acceptable solution</p>	2@5m(3+2)
	(B)	(ii)	<p>Outline two benefits of trade unions to an employee</p> <p>Protects the interests of its members: A trade union protects its members on issues such as wages and working conditions, especially through negotiations with employers.</p> <p>Advice: Trade unions provide advice to their members on issues industrial relations issues and or the employees industrial relations rights.</p> <p>Representation</p> <p>Negotiate for pay/conditions: trade union aim to protect and improve pay and conditions for their members.</p> <p>Personal Representation: The trade union will represent their member(s) in meetings with management when expert industrial relations advice is required.</p> <p>Other valid points;</p> <ul style="list-style-type: none"> • Collective negotiation • Professional support • Legal advice and assistance • Health and safety protection • Special offers/discounts • Financial services 	2@5m(3+2)

Question		Possible Responses	Max Mark
4	(C)	<p>Evaluate the role of the Competition and Consumer Protection Commission (CCPC)</p> <p>Advise/Inform the Public Provides Information & advice to the public on personal finance and their rights as consumers. This is done mainly through their website, publications & telephone helplines</p> <p>Advises Government Advises the government on how best to ensure fair competition and that the welfare of consumers is protected. New legislation</p> <p>Enforcement Enforces consumer & competition law by investigating suspected breaches.</p> <ul style="list-style-type: none"> • They have the power to enter premises, accompanied by Gardai if necessary, to gather evidence. • It can issue on-the spot fines to businesses for breaches of consumer law. • Serious breaches can be referred to the Director of Public Prosecutions. <p>Publish a list of businesses breaking consumer law: They publish a Consumer Protection List that identifies businesses found to be breaching consumer law</p> <p>Investigates mergers & takeovers They examine mergers and takeovers to ensure there is not a substantial lessening of competition in Ireland which could impact on prices/services provided to consumers</p> <p>Product Safety Responsibility for market surveillance in relation to safety of products covered by various EU Directives</p> <p>Educate Consumers The CCPC website has many tools for consumers to use to make more informed decisions. These include financial calculators, cost comparisons for various financial services, interactive quizzes etc.</p>	<p>4@4m(2+2)</p> <p>EV 2, Ev 2</p>

Section 3 – Part 2

Question			Possible Responses	Max Mark
5	(A)		<p>Explain reasons why an individual may become an entrepreneur</p> <p>Earn more income An employee earns a wage for being part of a business. They may also earn a commission. However, an entrepreneur keeps all profits made by the business. As the business grows their earning potential grows considerably.</p> <p>Be their 'own boss' The entrepreneur leads a self-directed life in the business. They are not answerable to a manager.</p> <p>Pro entrepreneur culture in Ireland Entrepreneurial activity is encouraged in Ireland. The Local Enterprise Offices (LEO's) offer huge support to local businesses with less than 10 employees.</p> <p>Redundancy Being made redundant may motivate an individual to change their life course by setting up a business.</p> <p>Need for achievement/Ego/Legacy They have a strong desire to be successful and build an empire</p>	3@5m(2+3)

Question			Possible Responses	Max Mark
5	(B)	(i)	<p>Distinguish between the terms span of control and chain of command</p> <p>Span of control refers to the number of subordinates who report to a manager. The span of control may be narrow or wide depending on the type of work, experience of the manager etc</p> <p>Chain of command refers to the line of authority/communication in a business. The chain of command clarifies the hierarchy of a business/who reports to whom</p>	2@5m(2+3)
	(B)	(ii)	<p>Discuss the benefits of a matrix organisation structure for a business such as IKEA</p> <p>Benefits</p> <p>Increased Motivation Social/Esteem needs of employees at IKEA are satisfied working within a team. This can encourage the employees to contribute their best efforts. Example Required</p> <p>Better coordination Mix of people from different departments at IKEA means people will learn more about what goes on throughout the business. Example Required</p> <p>Better decision making More expertise when people of different departments at IKEA come together to discuss issues, problem solve and make decisions. Sharing opinions and the expertise of team members from different disciplines can lead to better decisions. Example Required</p> <p>Greater productivity-Synergies Greater productivity can be achieved when employees work together and therefore the output is greater than when employees work separately. Example Required</p>	3@5m(2+2+1)

Question		Possible Responses	Max Mark
5	(C)	<p>Outline, using an example, the impact of technology for management in a business such as IKEA in relation to;</p> <p>(i) Design of products (ii) Manufacturing (iii) Marketing (iv) Human Resource Management</p>	4@5m(2+2+1)
	(C) (i)	<p>Design of products (CAD)</p> <ul style="list-style-type: none"> • CAD allows managers to examine impact of design changes without major cost associated with prototypes. • Improves the efficiency of automated tasks by using robotics, wider span of control. <p>Example Required</p>	
	(C) (ii)	<p>Manufacturing – CAM/CIM/AI/3D Printers</p> <p>Impact on Manufacturing/Production</p> <ul style="list-style-type: none"> • Can also improve quality control. • Large scale continuous production can take place in any location 365 days a year. <p>Example Required</p>	
	(C) (iii)	<p>Impact on Marketing (Websites, social media, apps)</p> <ul style="list-style-type: none"> • Use of internet for market research (desk research) and online questionnaires (field research). <p>Use of social media for advertising and public relations.</p> <p>Example Required</p>	
	(C) (iv)	<p>Impact on Human Resource Management (Spreadsheets, website, zoom/video conferencing)</p> <ul style="list-style-type: none"> • Spreadsheets for Manpower Planning. • Websites – recruitment • Zoom /video conferencing software – interviews • Office 365/Microsoft Teams - Remote Working <p>Example Required</p>	

Question			Possible Responses	Max Mark
6	(A)	(i)	<p>Explain the reasons Jackson Ltd would prepare a cashflow forecast.</p> <p>To help avoid deficits See in advance cash shortages thus arrange short term finance. It will help a business identify periods of time in the future when the business will have an excess of expenditure over income i.e. a deficit and then take corrective action/assess the best methods to deal with the cash shortfall.</p> <p>Improved financial control It will help a business manage its cash flow and live within its means. It acts as a financial control mechanism that can be used to measure actual cash flow against planned cash flow encouraging a business to plan its finances sensibly and live within its means and not to overtrade</p> <p>Raise finance A cashflow forecast can help access to finance from financial institutions as the cash flow forecast is an integral part of the business plan given to banks and other potential investors/ Supports applications for loans and grants etc.</p> <p>Plan for positive net cashflows, It will help a business identify periods of time in the future when the business will have a surplus of income over expenditure. The business can then make plans to place these surplus funds on deposit with a financial institution or make expansion decisions.</p>	2@5m(2+3)

Question			Possible Responses	Max Mark
6	(A)	(ii)	<p>Calculate the figures represented by the letters A, B and C on the cashflow forecast. (Show answers in the answer book)</p> <p>A €5,000</p> <p>B €168,000</p> <p>C (€11,000) or -€11,000</p>	7m (3+2+2)

Question			Possible Responses	Max Mark
6	(A)	(iii)	<p>Outline two ways how Jackson Ltd might deal with a problem identified in the above cashflow forecast.</p> <p>1. Increase cash receipts</p> <ul style="list-style-type: none"> • Credit control methods like discounts for prompt payments • Sell investments to raise cash • Sale to encourage spending <p>2. Reduce cash payments</p> <ul style="list-style-type: none"> • Spread payments over longer periods • Reduce expenses • Reduce dividends <p>3. Finance (overdraft)</p> <ul style="list-style-type: none"> • Acquire finance for short term debts, interest payable on the reducing balance. • May need a business plan in order to acquire an overdraft. 	2@4m(2+2)

Question		Possible Responses	Max Mark
6	(B)	<p>Discuss the differences in managing a household and managing a business in relation to taxation</p> <p>Taxation</p> <p>VAT collection: Vat is common to both a business and households. Businesses and households must pay VAT on purchases but only a business collects VAT for the government.</p> <p>Corporation Tax: Corporation tax on the profits earned if the business is a company by an employer. Only a company pays corporation tax households do not pay corporation tax.</p> <p>Amount of taxes: Businesses pay more types of taxation than a household. Business pay taxes such as commercial rates and employer's PRSI.</p> <p>Scale of taxation liability: Businesses pay more taxation to revenue than households.</p>	3@5m(2+3)

Question			Possible Responses	Max Mark
6	(C)	(i)	<p>Explain, using examples, the following three principles of insurance;</p> <p>Utmost Good Faith Indemnity Insurable Interest</p> <p>Utmost good faith: A person must reveal all material facts when applying for insurance and be truthful in their application for insurance. Proposal forms must be completed accurately. Example required</p> <p>Indemnity: An insured person cannot make a profit from an insurance claim i.e. insurance can at best put an insured person in the same financial position as they were prior to a loss occurring. If a car is written off in an accident the insured receives its replacement value and not the original sum paid for it. Example required</p> <p>Insurable Interest: The insured must gain from the existence of the exposure unit and suffer from its loss. You can insure your own car but not your neighbours. In essence you can't insure something unless you have a vested interest in it. Example required</p>	3@5m(2+3)

Question			Possible Responses	Max Mark
6	(C)	(ii)	<p>Identify one type of insurance policy and explain why the insurance company might deem the risk uninsurable.</p> <p>An insurance company might deem an applicant an uninsurable risk;</p> <ul style="list-style-type: none"> • House/Home insurance: For house insurance if the applicant lives on a flood plain the insurance company might deem the policy an uninsurable risk. • Motor insurance: if they have previous driving disqualifications the applicant might be deemed to great a risk. • Accept relevant explained example. 	5m(2+3)

Question			Possible Responses	Max Mark
7	(A)	(i)	<p>Explain the term batch production.</p> <p>A certain amount or limited quantity of identical goods is produced at the same time and then production switches to a different batch or group. Work is completed on each stage of the production before a new batch is started. e.g. in a bakery, a batch of loaves followed by a batch of scones.</p>	5m(2+3)
		(ii)	<p>Discuss the implications for 4th ARQ of changing from batch production to mass production process</p> <p>Economies of scale: The change to mass production will increase the economies of scale achieved. By reducing the cost of producing each unit this will increase profits.</p> <p>Capital required for machinery: Mass production is heavily automated and may require investment in machinery, equipment and a premises.</p> <p>Wages/Type of employee: The move to mass production might increase the number of factory operatives that the business needs. OR wages may decrease as less employees are required due to automation</p> <p>Access to finance: Additional sources of long-term finance might be required.</p> <p>Stock Control: An efficient stock control system will be required if changing to mass production.</p> <p>Marketing Plan: a revised marketing plan might be required if switching to mass production</p>	3@5m(2+2+1)

Question		Possible Responses	Max Mark
7	(B)	<p>Contrast a Sole Trader and a Limited company as forms of business ownership, using the following headings:</p> <p>Formation; Liability; Finance; Control</p> <p>Formation; You must register as a self-employed person with Revenue. If you want to use a business name, you must register your business name with the Companies Registration Office (CRO). Whereas a limited company -, you must register with the Companies Registration Office (CRO), your company must then return reports and accounts to the CRO each year. Register your business name and file your company returns online using the CRO's CORE (Companies Online Registration Environment).</p> <p>Under the Companies Act 2014, private companies limited by shares can be registered as either: An LTD (private company limited by shares) or a DAC (Designated Activity Company)</p> <p>Liability; In a sole trader ownership structure the owner has unlimited liability whereas the shareholders of a limited company have limited liability.</p> <p>Finance; Limited companies can have more than one owner and therefore find it easier to raise capital whereas a sole trader has only one owner to provide equity capital. The Sole trader might also find it more difficult to access credit.</p> <p>Control The Sole trader has full control over decision making whereas in a limited company control is based on the percentage of share ownership. The shareholders appoint a board of directors who appoint a Managing Director/Chief Executive Officer to run the business.</p>	4@5m (2+3)

Question			Possible Responses	Max Mark
7	(C)	(i)	<p>Explain any three of the following financial business terms.</p> <ul style="list-style-type: none"> • Liquidity • Profit and Loss Account • Debtors • Dividends <p>Liquidity refers to the ability of a business to pay its short-term liabilities as they fall due.</p> <p>Profit and Loss account records the sales less all the costs and expenses of the organisation for the financial year. It identifies the Gross and Net profit of the organisation.</p> <p>Debtors are individuals or businesses that owe the business money after buying goods or services on credit.</p> <p>Dividend is the portion of profits paid to shareholders at the end of the year. Dividends are decided and announced at the AGM annually. The board of directors will establish the company's dividend policy.</p>	3@5m(2+3)
		(ii)	<p>Outline one financial ratio used to measure the profitability of a business</p> <p>The Gross Profit percentage: The percentage of sales that is profit before expenses are deducted. It can be used to assess the profitability of manufacturing activities. It can also be used to value stock if it is damaged by fire or accident.</p> <p>The Net Profit percentage: The percentage of sales that is profit after expenses have been deducted. It assesses overall profitability. It helps investors assess if a business is generating enough profit from its sales. IF there is a large difference between gross and net profit margin, it could suggest that expenses are too high.</p> <p>The Return on Capital Employed: Return on capital employed is a financial ratio that measures a company's profitability in terms of all of its capital. It shows the percentage return on each €1 invested. Investors often compare the ROI to the rate offered in deposit accounts. This allows them to see if they are getting a worthwhile return on their investment.</p>	5m(2+3)

Question			Possible Responses	Max Mark
8	(A)	(i)	<p>Explain the term premium pricing.</p> <p>Premium pricing refers to a business charging a high price to create the image of superior quality. Premium pricing can create an image of prestige for a product and can influence demand.</p>	5m(2+3)
		(ii)	<p>Outline the factors businesses may consider before deciding on a price for their product or service. Provide examples to support your answer.</p> <p>Cost of production / research & development: A business must consider the cost of manufacturing each item before deciding on the price of each item. E.g. If a drink costs €1 to manufacture, the business will decide on a percentage to add the cost price.</p> <p>The target market – Businesses must consider the group of people that each product is aimed at. E.g. Newspapers such as The Daily Mail and The Irish Times would consider the income levels of their target market before deciding on a price point to enter the market. Prime might have products especially aimed at young people who want to feel like they are drinking the best energy drink on the market.</p> <p>Competition: A business must consider the prices of their competitors' products. E.g. Prime must decide whether to charge the same, a higher or a lower price than her competitors such as Gatorade, Monster etc.</p> <p>Economic conditions/demand – higher prices can be charged in a booming economy. Businesses such as hotels etc may decide to charge a higher price for her products if the economy continues to grow or alternatively the business might lower prices during a period of economic recession.</p> <p>Accept points that are fully explained with an example relevant to;</p> <ul style="list-style-type: none"> • Demand in the marketplace • Consumer Expectations/Image of product • Taxation (tariffs, import charges) • Product Positioning • Stage of Product Life Cycle • Legal Restrictions • Target Market 	3@5m (2+2+1)

Question			Possible Responses	Max Mark
8	(B)	(i)	<p>What do the letters ASAI stand for?</p> <p>Advertising Standards Authority of Ireland</p>	4m
		(ii)	<p>Distinguish between generic advertising and persuasive advertising. Generic advertising is used to prompt the consumer to think about a type of product rather than a specific brand. E.g. The National Dairy Council encouraging the consumption of milk.</p> <p>Persuasive advertising: This advertising attempts to entice the consumer that they need the product. Persuasive advertising attempts to convey the message that this product/service will bring value to the consumers life. E.g. L'Oréal try to persuade the consumer they will have healthier/more attractive hair as a result of using their products.</p>	2@5m(2+3)
		(iii)	<p>Outline an advertising medium you would recommend for two of the businesses listed below. Provide a reason to support each recommendation</p> <ul style="list-style-type: none"> • Rolex Watches • Adare Manor Hotel and Golf Resort • Prime Hydration drinks <ul style="list-style-type: none"> • Rolex – Print/TV advertising aimed at high income earners. Ad's in high class airline magazines, adverts during tennis or golf competitions. Advertising at five-star hotels. Target market is high income earners, male and female, some of whom are the consumers of expensive travel and sports such as tennis and golf • Adare Manor Hotel and Golf Resort - might advertise in international golf magazines or on international tv coverage of golf events such as the US Masters, Ryder Cup etc. Reason – The target market of the hotel is rich tourists who wish to travel and play golf etc. • Prime Hydration drinks - Digital advertising on social media, YouTube etc. Reason: Target market is young consumers who consume media via Tik Tok, YouTube etc. 	1@6m(3+3) 1@5m(3+2)

Question		Possible Responses	Max Mark
8	(C)	<p>Describe different sales promotions techniques that a business could use to promote a new or existing product. Use examples to support your answer.</p> <p>Price reduction/discounts; Retailers could offer 20% reduction on slow trade days or to sell stock that will be out of season soon. E.G Retailers such as Woodies, Elevery's having a 20 or 30% sale for Black Friday or after Christmas.</p> <p>Buy one get one free/Special Offers/2 for price of 1 Businesses could offer buy one get one free on a wide variety of products to incentivise sales. E.G. A special offer of buy one get one free on Dove Deodorants could incentivise customers who weren't planning on purchasing deodorant.</p> <p>Discount codes/Money off coupon for next purchase – Retailers could offer vouchers which reduce the cost of the customers next purchase. Vouchers are received in the post or with newspapers or are offered as a reward for previous purchases. E.g. Nike.com sending a customer a 10% off your next purchase email discount code. Dunnes Stores offering €10 off when you spend €50.</p> <p>Loyalty Cards – loyalty card can be used to encourage repeat sales. E.g. retailers such as Centra could offer a free coffee for every five coffees purchased.</p> <p>Competitions – retailers could run competitions to win prizes via social media. e.g. Vodafone running a competition to win two tickets to an Ireland rugby match or Allianz running a competition to win tickets to the All-Ireland Final.</p> <p>Free Samples Free samples of a product can expose the consumer to the product and encourage the consumer to buy the product. E.g. A crisp company giving samples of a new flavour crisps to consumers as they do their groceries.</p> <p>Merchandising A business will display goods in a more attractive way to incentivise purchases. E.g. some protein bars may be sold in special stands close to checkouts in a supermarket</p>	3@5m(2+2+1)

