

WARNING

This question paper **MUST** be returned with your answer book at the end of the examination, otherwise marks will be lost.

Write your Examination Number here: 



Coimisiún na Scrúduithe Stáit State Examinations Commission

LEAVING CERTIFICATE EXAMINATION 2009

Business – Higher Level

(400 marks)

TUESDAY 9 JUNE – AFTERNOON 2.00 p.m. to 5.00 p.m.

CANDIDATES ARE REQUIRED TO ANSWER:

(A) **Eight** questions from SECTION 1

AND

(B) The Applied Business Question in SECTION 2

AND

(C) **Four** questions from SECTION 3 as follows:

One question from Part 1,

Two questions from Part 2

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

All questions carry equal marks.

Q.	Mark
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
Total	

Please note allocation of marks per question.

Calculators may be used.

Make and Model of calculator used:

**REMEMBER TO RETURN THIS QUESTION PAPER WITH THE ANSWER
BOOK YOU USE FOR ANSWERING SECTIONS 2 AND 3**

SECTION 1
(80 marks)
SHORT ANSWER QUESTIONS

This section is compulsory. Answer eight questions. Each question carries 10 marks. Remember to return this question paper with your answer book.

- 1.** Distinguish between the following taxation forms: Form P45 and Form P60.

(a) Form P45 is:

(b) Form P60 is:

- 2.** Using today's date draft a memorandum (memo) from Peter Murphy, Marketing Manager, to Mary O'Brien, Managing Director of a retail business outlining **two** different sales promotion incentives to encourage sales.

- 3.** Distinguish between 'Public Liability' and 'Fidelity Guarantee' as types of insurance.

(a) Public Liability Insurance is:

(b) Fidelity Guarantee Insurance is:

4. Explain the terms 'desk research' and 'field research'. Use **one** example of each to support your answer.

(a) Desk Research is:

Example: _____

(b) Field Research is:

Example: _____

5. (a) Explain the term 'Community Development'.

Community Development is:

(b) Describe **two** benefits of community development.

(i) _____

(ii) _____

6. Define the 'secondary sector' and outline **two** current trends affecting this sector in Ireland.

Current Trends:

(i) _____

(ii) _____

7. Illustrate the difference between ‘enterprise’ and ‘management’.

8. (a) Explain the legal term ‘consideration’.

(b) Outline **two** other elements of a legally binding contract.

(i) _____

(ii) _____

9. Contrast ‘job production’ and ‘batch production’, giving **one** appropriate example in each case.

10. (a) Explain the role of the Council of Ministers in EU decision-making.

(b) Name **two** other EU decision-making institutions.

(i) _____

(ii) _____

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SECTION 2

(80 marks)

This is a compulsory question based on Units 1, 2 and 3

Applied Business Question

Renewable Energy Solutions (RES) Ltd

Liam Best, an electrical engineer, established Renewable Energy Solutions (RES) Ltd ten years ago. The business imports, supplies and installs energy efficient solar panels that are used to heat homes and businesses. While attending a Trade Fair in Germany on behalf of his previous employer, Liam identified a niche in the market for an Irish supplier of solar panels. With twenty years experience in the heating and plumbing supplies business and with no opportunity for promotion, he decided to start his own business. Impressed with Liam's knowledge and belief in his product, Liam's bank manager and a number of private investors were happy to provide the necessary finance. The business grew rapidly and by the end of 2007 had a turnover of €30 million and a workforce of thirty.

The past year, however, has been difficult for the business. As the construction of new houses has fallen, there has been a steady decline in the sales of solar panels. Costs are rising and the business is finding it more difficult to pass on price increases to customers. Cash flow is tight and Liam is particularly concerned by the fact that two of his largest customers have not paid their bills on time. In addition, the company is finding it difficult to raise short term finance due to the current credit squeeze. Rising stock levels in the warehouse are also causing problems. A number of customers have recently returned solar panels, as a result of damage caused while in storage in the warehouse or in transit.

Liam is confident that the demand for green energy sources in Ireland will increase again. He believes that the government's new Building Energy Rating (BER) regulations, combined with the increasing demand for more cost effective and environmentally friendly heating systems, will provide opportunities for his business.

However, Liam has e-mailed all staff informing them that action will need to be taken swiftly if the business is to survive the current downturn in the economy. To avoid the introduction of compulsory redundancies, Liam explains in his e-mail that it will be necessary to implement a 10% pay cut, with immediate effect for all workers. The staff contacted their trade union to express their concerns about the proposed pay cuts. A trade union meeting has been organised to discuss staff concerns and agree a response to the pay cut proposed by Liam.

- (A) Illustrate, using examples from the above text, **four** enterprising characteristics/skills shown by Liam. (20 marks)
- (B) Discuss **three** types of management control that you would recommend Liam put in place to secure the future of RES Ltd. (30 marks)
- (C) (i) Describe, using the above text, **one** possible non-legislative and **one** legislative solution for the industrial relations problem facing RES Ltd. (30 marks)
- (ii) In your view how should Liam have dealt with the issue to lessen the likelihood of an industrial relations conflict? (80 marks)

SECTION 3

(240 marks)

Answer four questions from Section 3 as follows:

One question from Part 1, Two questions from Part 2 and One other question from either Part 1 or Part 2. All questions carry equal marks.

Part 1

People in Business / Business Environment

People in Business

“A successful business depends on positive business relationships.”

Question 1

- (A) Outline, using an example, the role of interest groups in the business world. (10 marks)
- (B) Discuss how consumers may benefit from the existence of a competitive relationship between producers. (15 marks)
- (C) (i) Explain the term ‘employment discrimination’ as set out in the Employment Equality Act 1998.
List **four** distinct grounds on which discrimination is outlawed under the Act.
- (ii) Evaluate the role of the Director of Equality Investigations in resolving complaints of discrimination in the workplace. (35 marks)
- (60 marks)**

Domestic Environment

Question 2

- (A) Evaluate ‘franchising’ as a form of business ownership for a new enterprise. (20 marks)
- (B) *“Business is not only about doing things right, it is also about doing the right things.”*
Discuss the social responsibilities that a business has to its various stakeholders. (20 marks)
- (C) Discuss how the Irish Government could use the tax system to create a positive climate for business in Ireland. Use examples to illustrate your answer. (20 marks)
- (60 marks)**

International Environment

Question 3

“The EU is less than half the size of the United States, but its population is over 50% larger. In fact the EU population is the world’s third largest, after China and India.”

- (A) Evaluate the opportunities **and** challenges for Irish business in the EU Market. (30 marks)
- (B) (i) Explain the term ‘global marketing’ **and** name **two** global businesses. (30 marks)
- (ii) “A business involved in global markets faces additional marketing challenges.”
Discuss these challenges, using examples to support your answer. (60 marks)

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SECTION 3

Part 2

Enterprise

Managing

Question 4

“The rules of good management remain the same in times of growth or slowdown.”

- (A) (i) Explain the term ‘delegation’.
(ii) Describe the benefits of delegation for a manager. (20 marks)
- (B) Analyse the implications for a business of a manager adopting a Theory X approach to managing. (20 marks)
- (C) *“There is often a legal requirement for members of the public to hand over their personal information to public bodies.”*
Discuss the provisions of the Data Protection Act 1988 in relation to:
(i) The Rights of Data Subjects
(ii) The Obligations of Data Controllers. (20 marks)
- (60 marks)**

Business in Action / Managing

Question 5

- (A) (i) Explain the term ‘business alliance’.
(ii) Illustrate the advantages of an alliance as a form of business expansion. (20 marks)
- (B) Evaluate Debt and Equity Capital as sources of finance for business expansion. (20 marks)
- (C) (i) Using the figures given below calculate the Debt/Equity ratio of SES Ltd for the years 2006 **and** 2007. (Show your workings)

	2006	2007
Long Term Loans	300,000	364,000
Ordinary Share Capital	450,000	450,000
Retained Earnings	50,000	70,000

- (ii) Comment on the significance of the trend in the Debt/Equity ratio over the two years for the existing shareholders. (20 marks)
- (60 marks)**

Business in Action/Managing

Question 6

- (A) Illustrate how the following developments in Information and Communications Technology (ICT) have impacted on business:
- (i) Electronic Data Interchange (EDI)
 - (ii) The Internet and the World Wide Web
 - (iii) Video-conferencing. (20 marks)
- (B) Discuss the benefits of Total Quality Management 'TQM' to a manufacturing business. (20 marks)
- (C) *"Cash Flow is the lifeblood of any business and its management is critical to business survival."*
In September 2008, Buttercup Garden Centre prepared the following Cash Flow Forecast.

Cash Flow Forecast of Buttercup Garden Centre – October to December 2008				
	October	November	December	Total
	€	€	€	
Receipts				
Cash Sales	12,500	9,500	10,000	32,000
Credit Sales	2,000	1,500	3,500	7,000
Total Receipts	<u>14,500</u>	<u>11,000</u>	<u>13,500</u>	<u>39,000</u>
Payments				
Cash Purchases	1,000	2,500	4,000	7,500
Credit Purchases	5,000	2,000	1,000	8,000
Wages	6,000	6,000	7,500	19,500
Equipment	12,000	-	-	12,000
Total Payments	<u>24,000</u>	<u>10,500</u>	<u>12,500</u>	<u>47,000</u>
Net Cash	(9,500)	500	1,000	(8,000)
Opening Cash	3,000	(6,500)	(6,000)	3000
Closing Cash	(6,500)	(6,000)	(5,000)	(5,000)

- (i) Explain the benefits to Buttercup Garden Centre of preparing a Cash Flow Forecast.
- (ii) Based on the information provided above, outline how Buttercup Garden Centre could improve the Cash Flow position of its business.

(20 marks)

(60 marks)

Business in Action

Question 7

Olympian Ltd is a company that produces a range of high quality branded sportswear. Following a lengthy market research process, the firm is now expanding its business to include a new range of Hoodie Tracksuits, aimed at the teenage market.

- (A) Outline the stages involved in the development process of the new range of Hoodie Tracksuits. (20 marks)
- (B) (i) Explain the term ‘market segmentation’, illustrating your answer with reference to Olympian Ltd.
(ii) Outline **two** benefits to Olympian Ltd of segmenting the market. (20 marks)
- (C) Describe the factors that the Marketing Manager of Olympian Ltd should consider when deciding on the selling price of their new range of Hoodie Tracksuits. (20 marks)
- (60 marks)**

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