



**Coimisiún na Scrúduithe Stáit
State Examinations Commission**

JUNIOR CERTIFICATE EXAMINATION 2007

BUSINESS STUDIES

ORDINARY LEVEL CHIEF EXAMINER'S REPORT

HIGHER LEVEL CHIEF EXAMINER'S REPORT

CONTENTS

| | | |
|-----------|--|-----------|
| 1. | General Introduction | 3 |
| 1.1 | The Syllabus | 3 |
| 1.2 | The Examination | 3 |
| 1.3 | The Candidature | 4 |
| 2. | Ordinary Level | 5 |
| 2.1 | Introduction | 5 |
| 2.2 | Performance of Candidates | 5 |
| 2.3 | Analysis of Candidate Performance | 5 |
| 2.4 | Conclusions | 13 |
| 2.5 | Recommendations to Teachers and Students | 14 |
| 3. | Higher Level | 16 |
| 3.1 | Introduction | 16 |
| 3.2 | Performance of Candidates | 16 |
| 3.3 | Analysis of Candidate Performance | 16 |
| 3.4 | Conclusions | 27 |
| 3.5 | Recommendations to Teachers and Students | 28 |

1. GENERAL INTRODUCTION

1.1 The Syllabus

The Junior Certificate Business Studies syllabus was introduced in 1989 and examined for the first time in 1992. The syllabus replaced the Intermediate Certificate Commerce syllabus, which was examined for the last time in 1991.

Business Studies is offered at both Higher and Ordinary Levels and is assessed by a terminal written examination. The syllabus is divided into four sections, as follows:

| | |
|---------------|-------------------------|
| Section one | The Business of Living |
| Section two | Economic Awareness |
| Section three | Enterprise |
| Section four | Information Technology. |

The Ordinary Level syllabus is broadly similar to the Higher Level syllabus. However, certain sections of the syllabus, such as, for example, credit transactions and operation of the ledger, are assessed at Higher Level only. These sections are marked with an asterisk in the syllabus. The assessment objectives for both levels are set out in the syllabus.

This report should be read in conjunction with the examination papers and marking schemes, which are available on the State Examinations Commission website www.examinations.ie

1.2 The Examination

Ordinary Level

The examination at Ordinary Level consists of one examination paper of two and a half hours duration. The paper consists of two sections, as follows:

- Section A (100 marks) consists of twenty short questions, with each question allocated 5 marks. Candidates are required to attempt all of the questions. Questions in this section range over the entire Ordinary Level syllabus.
- Section B (300 marks) consists of eight long questions and candidates are required to attempt any five. All questions carry an equal weighting of 60 marks. The marks for the five questions required for this section (300 marks) are combined with the 100 marks for Section A to give a total mark allocation for the examination of 400.

Higher Level

The examination at Higher Level consists of two examination papers. Paper I is of two and a half hours duration, while Paper II is of two hours duration.

Paper I

This paper has a weighting of 60% of the examination and has a total mark allocation of 240 marks. The paper examines the Business Studies syllabus from a household and personal perspective. The paper comprises two sections, as follows:

- Section A (80 marks) consists of twenty short questions with a mark allocation of four marks each. Questions range over the entire Higher Level syllabus. Candidates are required to attempt all questions. There is some internal choice within the questions.
- Section B (160 marks) consists of six long questions and candidates are required to attempt any four. All questions carry an equal weighting of 40 marks. The marks for the four questions required for this section (160 marks) are combined with the 80 marks for Section A to give the total mark allocation of 240 for this paper.

Paper II

This paper has a total mark allocation of 160 marks which equates to 40% of the total mark allocation for the examination. The paper examines the syllabus from a business perspective. The paper consists of six long questions and candidates are required to attempt any four. All questions carry an equal weighting of 40 marks.

1.3 The Candidature

1.3.1 Ordinary Level

| | 2004 | 2005 | 2006 | 2007 |
|--|-------------|-------------|-------------|-------------|
| Total number of Junior Certificate candidates | 57,074 | 56,792 | 57,944 | 57,395 |
| Number of candidates taking Business Studies at Ordinary Level | 11,025 | 10,855 | 10,578 | 10,458 |
| % of total Junior Certificate cohort taking Business Studies at Ordinary Level | 19% | 19% | 18% | 18% |

Table 1 - Number and percentage of candidates taking Business Studies at Ordinary Level 2004-2007.

As can be seen from Table 1, the percentage of candidates taking the Business Studies examination at Ordinary Level in the period 2004-2007 has remained broadly consistent.

1.3.2 Higher Level

| | 2004 | 2005 | 2006 | 2007 |
|--|-------------|-------------|-------------|-------------|
| Total Number of Junior Certificate Candidates | 57,074 | 56,792 | 57,944 | 57,395 |
| Number of Candidates taking Business Studies at Higher Level | 23,664 | 22,792 | 23,243 | 23,209 |
| % of total Junior Certificate cohort taking Business Studies at Higher Level | 41% | 40% | 40% | 40% |

Table 2: Number and percentage of candidates taking Business Studies at Higher Level, 2004 -2007

As can be seen from Table 2, the percentage of candidates taking the Business Studies examination at Higher Level in the period 2004-2007 has been consistent.

2. ORDINARY LEVEL

2.1 Introduction

A total of 10,458 candidates presented for the Ordinary Level Examination in 2007. This represents 31% of the total number of candidates who presented for Junior Certificate Business Studies.

2.2 Performance of Candidates

Table 3 below shows the percentages of candidates achieving each grade at Ordinary Level in the years 2004 to 2007.

| Grade | A | B | C | D | E | F | NG | Candidates |
|-------|-----|------|------|------|-----|-----|-----|------------|
| 2004 | 7.5 | 36.8 | 31.0 | 17.8 | 5.0 | 1.7 | 0.2 | 11,025 |
| 2005 | 7.3 | 37.2 | 32.0 | 17.0 | 4.7 | 1.7 | 0.1 | 10,855 |
| 2006 | 7.8 | 39.7 | 30.9 | 15.1 | 4.3 | 2.0 | 0.2 | 10,578 |
| 2007 | 8.5 | 38.2 | 30.4 | 16.3 | 4.4 | 2.0 | 0.2 | 10,458 |

Table 3: Grade outcomes Junior Certificate Business Studies (Ordinary Level) 2004 – 2007. (Grade figures are in percentages)

As can be seen from the data in the table above, the results for 2007 were broadly in line with the results for previous years. Analysis of the results for 2007 and 2006 show the percentage of candidates achieving an A grade was up by 0.7%, while the percentage achieving a B grade was down by 1.5%. The percentage achieving a D grade shows an increase of 1.2%.

Examiners reported that the examination paper was a very fair test of the syllabus and covered a wide variety of topics. Examiners also reported that it was evident that a significant number of candidates who had taken the Ordinary Level would have been capable of the Higher Level examination.

2.3 Analysis of Candidate Performance

The table below sets out the attempt frequency of questions and the average mark obtained per question. The attempt frequency and average marks given for each question are based on an analysis of the initial sample 20 scripts chosen at random by each examiner.

| Question | % Attempt | Popularity | Average Marks | Average % |
|---|------------|---------------------------------|---------------|-----------|
| Section A: 20 short questions | 100 | All questions compulsory | 69 | 69 |
| Section B | | | | |
| Q.1 | 97 | 1 | 48 | 80 |
| Q.2 | 22 | 8 | 26 | 43 |
| Q.3 | 41 | 7 | 41 | 69 |
| Q.4 | 85 | 3 | 32 | 54 |
| Q.5 | 87 | 2 | 38 | 63 |
| Q.6 | 64 | 5 | 40 | 66 |
| Q.7 | 66 | 4 | 34 | 57 |
| Q.8 | 59 | 6 | 29 | 48 |

Table 4: Junior Certificate Business Studies 2007 (Ordinary Level) - attempt frequency and average mark awarded

It is clear from the table above that in Section B, Question 2 on Bookkeeping was the least popular question on the paper at this level. In 2004, a similar observation was noted in the Chief Examiner's report.

The following analysis of candidates' performance in the different sections of the examination paper should be read in conjunction with the examination paper and marking scheme.

SECTION A (100 Marks)

Average mark: 69

This section is mandatory. Candidates are required to attempt all twenty questions. All questions carry an equal weighting of 5 marks.

Candidates performed well in Section A in general. Most candidates attempted all twenty questions, with no particular question being omitted by a significant number of candidates. The average mark awarded of 69 represents a slight disimprovement on the average mark awarded of 71 in 2004.

QUESTION 1. Acronyms/letters: Most candidates answered 'ATM' well, but only a small minority had the correct answer for 'COD'. Many candidates left 'COD' blank.

QUESTION 2. Document: This question was poorly answered. A significant number of candidates did not know the correct name of the document (Receipt). Many candidates also showed the Accounts Depart cashier (Gerard West) rather than the company (Home Cleaners Ltd) as the recipient of the money.

QUESTION 3. Currency: This was generally well answered, but a small number of candidates did not know the currency of Germany.

QUESTION 4. Fixed Assets: While many candidates were able to give one or two examples of fixed assets of a farmer, quite a number gave examples of current assets.

QUESTION 5. Visible Export: This question was generally well answered but a small number of candidates did not tick any one of the boxes provided.

QUESTION 6. Customers' Names: This question was well answered, but some candidates confused Reddy and Reid. Putting the first names in alphabetical order was not an issue this year.

QUESTION 7. Types of production: This question was generally well answered, but some candidates gave an example of a 'service' in the primary box.

QUESTION 8. Documents: Most candidates had two out of three responses correct here. In nearly all cases, the explanation for 'statement' was the incorrect one.

QUESTION 9. Opportunity Cost: This question was well answered by most candidates.

QUESTION 10. Balance Sheet extract: This question was poorly answered in general. Many candidates included all four figures in the calculation of Current Assets.

QUESTION 11. Ps of marketing: Examiners noted that many candidates had little understanding of the terms required in this question.

QUESTION 12. Consumer redress: While it was clear that some candidates understood what was required here, many did not use the required terms –‘refund’ and ‘replacement’ – in their responses. A number of candidates gave ‘credit note’ as an incorrect answer.

QUESTION 13. Bank Account: While answers to this question showed some improvement as compared to previous years, the balancing procedure is still not understood by a majority of candidates.

QUESTION 14. Retailing terms: This question was very well answered by almost all candidates.

QUESTION 15. Cheque crossing: The majority of candidates ticked the correct answer for this question.

QUESTION 16. Borrowing: While many candidates calculated the interest correctly, they did not add it to the amount borrowed.

QUESTION 17. Note/Coin Analysis Slip: This question was well answered by most candidates. A small number of candidates who were unfamiliar with the format did not understand what was required.

QUESTION 18. Terms/Sentences: This question was generally poorly answered. Many candidates were not familiar with the two sentences, which had to be completed from a given list of terms.

QUESTION 19. Government Budget: While this question was reasonably well answered, many candidates omitted the minus sign or the word ‘deficit’.

QUESTION 20. Shop steward: Examiners noted that a large number of candidates did not understand the meaning of the term. Some candidates thought it meant a ‘bouncer’, a ‘security person in a shop’, or a ‘shop assistant’.

SECTION B (300 marks)

Candidates were required to attempt five of the eight questions in this section. All questions were equally weighted at 60 marks.

QUESTION 1. Household Budget

Attempt frequency: 97%

Average mark: 48

As in previous years, this was the most popular question in Section B and was attempted by almost all candidates. The average mark of 48 is one less than the figure recorded in 2004 for this question. Examiners noted that candidates were very familiar with the household budget question.

(A) Household Budget form: This part was generally well answered. Most candidates understood the concept of carrying forward the closing cash each month.

Common candidate errors included:

- House insurance premium payments incorrectly calculated
- Broadband costs not shown on a two-monthly basis, as was required
- Holiday costs not entered correctly
- Errors in totalling rows and columns
- Candidates not cross-checking their calculations
- Miscalculation of Net Cash figures
- Candidates not completing the final three lines of the budget
- Opening Cash not carried into the TOTAL column.

(B) Discretionary Expenditure: While most candidates were able to give examples directly from the question, only a small minority explained the term correctly. It was commonly confused with 'impulse buying'.

(C) Mobile phone 'top-ups': Most candidates could give only one method of paying for 'top-ups'. Many also included cash as an answer, despite the fact that the question stipulated two methods apart from cash.

QUESTION 2. Final Accounts and Balance Sheet

Attempt frequency: 22%

Average mark: 26

This was the least popular question in Section B and it had the lowest recorded average mark in this section of the paper.

(A) Trading, Profit and Loss Appropriation Account/Balance Sheet: As in previous years, answering here was somewhat inconsistent with some candidates demonstrating excellent preparation and others somewhat less so. Examiners noted that some candidates who attempted it were not familiar with bookkeeping practice.

Common errors included:

- Omission of company name (Jackson Ltd)
- Dividend Paid entered as an expense
- Interest on Overdraft omitted from expenses
- Current Assets and Current Liabilities mixed up
- Current Assets added to Current Liabilities.

(B) 'Opening Stock': A large number of candidates confused the term with a cash or bank balance, with only a small number of candidates explaining the term correctly.

(C) Gross Profit percentage: The calculation of this percentage was poorly attempted and, in many cases, was omitted. Many candidates did not know the required formula.

QUESTION 3. Insurance and Writing a Letter

Attempt frequency: 41%

Average mark: 41

This was the seventh most popular question on the paper. The average mark of 41 was the third highest average mark in Section B.

(A) Cost of insuring house and contents: The calculation of the insurance premium proved difficult for many candidates. Although all candidates who attempted it were awarded some marks for their workings, only a minority had the correct answer.

(B) Risks: This part was well answered. Most candidates were able to name two risks associated with buildings insurance.

(C) Letter: The letter was generally well presented and most candidates scored well on this part of the question.

Common errors made by candidates included:

- Omitting the reference
- Omitting the value of the cheque
- Addresses transposed
- Omitting the enclosure

QUESTION 4. Banking and Banking Documents

Attempt frequency: 85%

Average mark: 32

This was the third most popular question in this section of the paper. The average mark, however, was relatively low and resulted in a lower overall mark for some candidates than might have been expected.

(A) Bank and branch: This part was well answered in general. However, some candidates incorrectly stated that the branch was in Navan rather than in Mullingar.

(B) Money in Current Account: Most candidates answered this part of the question correctly.

(C) Entry of 3 April 2007: The majority of candidates explained the entry correctly. However, a more detailed response was required in many instances in order to be awarded full marks.

(D) Lodgement Slip and Counterfoil: Most candidates scored well in this part of the question. Putting a date or the word 'cheque' after 'Paid in by' was a common error. A number of candidates also showed the cheque of €400 as the total lodgement.

(E) Cheque No. 60546/Bank Statement: This part was well answered by the majority of candidates.

(F) Bank Statement/Terms: This was poorly answered by many candidates and was the main reason for the lower-than-average marks for the full question. The term ‘Sorting Code’ was the least well-known term.

Common errors included:

- Current Account confused with Deposit and Cashesave Account
- Account Number confused with PIN Number
- Direct Debit confused with Standing Order.

QUESTION 5. Business Documents

Attempt Frequency: 87%

Average mark: 38

This question on business documents was the second most popular question in this section of the paper.

(A) Invoice No. 72356:

This part of the question was reasonably well answered. Examiners noted an improvement on previous years in the mathematical calculation skills displayed by candidates.

Common errors included:

- Incorrect date
- ‘Your Order No.’ was often incorrect or omitted
- Extra line of goods (Puma Large Holdalls) included on the Invoice by some candidates
- Trade Discount amount miscalculated, shown as a percentage, or added
- VAT amount miscalculated and often deducted.

(B) Cheque and counterfoil: The cheque and counterfoil were, in general, well completed by candidates. The most common error on the cheque was the omission of the payee’s name, with the amount in words written on that line. On the counterfoil, the cheque amount was sometimes added to the existing balance rather than subtracted.

(C) Bank Account: Most candidates attempted the Bank Account. Although, examiners noted some improvement in the standard of answering as compared to previous years, many candidates still entered the transaction on the incorrect side/column. More attention to the date and details is required if candidates are to gain full marks.

(D) ‘Carriage Paid’: Many candidates did not know the answer to this part of the question. A number of explanations of the term ‘Carriage Paid’ lacked sufficient detail. While some candidates mentioned the cost of delivery, many failed to state that it was paid by the seller.

QUESTION 6. Club Accounts

Attempt frequency: 64%

Average mark: 40

Although only fifth in popularity, this question has increased in popularity since 2004 (from 32%). The fact that a blank Analysed Receipts and Payments Account (Analysed Cash Book) was provided in the booklet for Section A may have assisted in improving the popularity of this question.

(A) Analysed Receipts and Payments Account (Analysed Cash Book): The Analysed Receipts and Payments Account was generally well done. A small number of candidates ruled their own Analysed Receipts and Payments Account in their answer books. Most candidates scored well in this part of the question.

Common errors included:

- Omitting the opening balance
- Omitting the Cheque No.
- Omitting the Bank (Total) columns
- Not calculating membership fees
- Entering number of members rather than multiplying it by fees paid
- Not totalling analysis columns
- Incorrect closing balance, due to arithmetical errors
- Balance not carried down.

(B) Lotto (surplus/deficit): This part was poorly answered in general. The majority of candidates did not relate the question to the Lotto analysis columns. Many candidates incorrectly used the Bank (Total) columns.

(C) Treasurer: The duties of a treasurer were generally well known, although a number of candidates dealt with the role of a secretary or chairperson instead.

QUESTION 7. Employment and Wages

Attempt frequency: 66%

Average mark: 34

This was the fourth most popular question in this section of the paper.

The average mark was consistent with previous results for this type of question.

(A) Gross wage per hour: The calculation of gross wage per hour was generally well answered.

(B) Gross weekly wage: In working out the gross wage for the week, candidates found the calculation of overtime difficult. Errors mainly arose with the calculations involving ‘time-and-a-half’ and ‘double-time’. The basic wage was usually added correctly, which meant that most candidates received some marks for their workings.

(C) Right and responsibilities of an employee: The rights and responsibilities of Mary as an employee were generally well known. Examiners noted some element of repetition in the answering, such as ‘responsibility to do an honest day’s work’ and ‘responsibility not to steal anything from an employer’. Some candidates confused ‘rights’ with ‘responsibilities’. A number of candidates named one or two rights or responsibilities, instead of three as was required in the question.

(D) Rewards and risks of being self-employed: Many responses on the rewards and risks of self-employment were not sufficiently specific or precise, with many candidates giving very short answers which did not merit full marks. Most candidates identified the possibility of making a profit as a reward. The risks were generally well answered, although Examiners noted some repetition in the responses.

QUESTION 8. Delivery Systems

Attempt Frequency: 59%

Average mark: 29

This question ranked sixth in popularity in this section of the paper.

(A) Choosing a transport system: Many candidates found it difficult to distinguish between three factors to be considered and modes of transport. For example, some answered ‘cost, speed and safety’ while others answered ‘road, sea and air’. Consequently, the importance of each factor was not well answered.

(B) Road transport – advantages and disadvantages: While most candidates were able to give two advantages and two disadvantages of road transport, marks were lost for using short, one-word or two-word answers, e.g. ‘fast’ instead of ‘fast over short distances’. Examiners noted some elements of repetition in candidate responses.

(C) Delivery of packet: The calculation of the latest time of departure for the van driver was reasonably well answered. Many candidates were awarded marks for their workings, even if they did not get the correct answer.

(D) Terms: The explanation of four transport terms was popular and well answered. Most candidates were able to select four terms from the nine provided in this part of the question. However, the terms ‘distance tables’ and ‘tachographs’ caused difficulty for some candidates. Some also confused ‘bypasses’ with ‘toll roads’.

2.4 Conclusions

- In general, Examiners reported that candidates demonstrated satisfactory levels of knowledge and skills
- Candidates who performed less well tended to do so for some, or all, of the following reasons:
 - (i) Inadequate knowledge of certain aspects of the syllabus
 - (ii) Failure to read questions carefully
 - (iii) Failure to complete the required number of questions (Section A – 20 short questions and Section B – 5 questions from 8 long questions)
 - (iv) Lack of knowledge of the bookkeeping and accounts elements of questions.
- Examiners noted that, based on candidate responses, it would appear that a number of candidates who took the Ordinary Level examination would have been capable of taking the Higher Level examination.

2.5 Recommendations for Teachers and Students

Teachers are advised to:

- refer to the published Business Studies marking schemes and Chief Examiner reports. These are available on the SEC website www.examinations.ie, and are useful resources in preparing candidates for the examination
- pay particular attention to the intended outcomes for students as stated in the Business Studies syllabus
- familiarise students with the examination requirements by ending each topic with examination-style questions
- advise students in relation to the level of the examination most appropriate to their level of achievement
- emphasise the importance of headings, particularly in teaching the topic 'Final Accounts and Balance Sheet'
- encourage students to show workings, where appropriate to the question
- advise students to write more detailed answers to questions, where appropriate
- ensure students have plenty of practice in computational and form-filling questions
- ensure students practice completion of banking documents and business forms on a regular basis
- assist and encourage students to keep up to date with modern developments in business
- ensure students are familiar with the examination stationery and answer books
- encourage students to use the full time allocation for the examination.

Students are advised to:

- read and practice examination questions as often as possible
- practise budget completion and letter writing on a regular basis
- be familiar with the examination requirements and the number of questions to be attempted (20 short questions and 5 long questions)
- read each question carefully, paying attention to the command words such as ‘list’, ‘name’, ‘identify’ and ‘explain’
- choose the questions carefully
- complete all sections and sub-sections of a question before moving on to the next question
- use the full time allocation in the examination in order to complete the examination paper
- take care when drawing charts and pay particular attention to scale, title and correct labelling.

3. HIGHER LEVEL

3.1 Introduction

A total of 23,209 candidates presented for the Higher Level examination in 2007. This represents 69% of the total Junior Certificate Business Studies candidature.

3.2 Performance of Candidates

Table 5 below shows the percentages of candidates achieving each grade in Junior Certificate Business Studies, Higher Level, from 2004 to 2007. As can be seen, the outcomes in 2007 were broadly in line with the results for previous years.

| Grade | A | B | C | D | E | F | NG | Candidates |
|-------|------|------|------|------|-----|-----|-----|------------|
| 2004 | 13.0 | 37.8 | 33.1 | 14.3 | 1.4 | 0.2 | 0.2 | 23,664 |
| 2005 | 8.5 | 35.8 | 37.2 | 16.5 | 1.8 | 0.2 | 0.0 | 22,792 |
| 2006 | 9.9 | 35.1 | 36.8 | 16.2 | 1.7 | 0.3 | 0.0 | 23,243 |
| 2007 | 10.8 | 38.9 | 35.3 | 13.6 | 1.2 | 0.2 | 0.0 | 23,209 |

Table 5: Grade outcomes Junior Certificate Business Studies (Higher Level) 2004 - 2007 (Grade figures are in percentages).

3.3 Analysis of Candidate Performance

3.3.1 Paper I

The table below sets out the attempt frequency of questions and the average marks obtained per question. The attempt frequency and average marks given for each question are based on an analysis of the results of a sample of 20 scripts per examiner.

| Question | % Attempt | Popularity | Average Marks | Average % |
|---|-----------|--------------------------|---------------|-----------|
| Section A: 20 short questions | 100 | All questions compulsory | 53 | 66 |
| Section B | | | | |
| Q.1 | 96 | 1 | 31 | 78 |
| Q.2 | 59 | 5 | 26 | 65 |
| Q.3 | 54 | 6 | 24 | 60 |
| Q.4 | 64 | 4 | 25 | 63 |
| Q.5 | 74 | 3 | 25 | 63 |
| Q.6 | 92 | 2 | 24 | 60 |

Table 6: Junior Certificate Business Studies (Higher Level) 2007 - attempt frequency and average mark awarded

SECTION A: Total Marks available 80

Average mark: 53

This section of the paper is mandatory. Candidates are required to attempt all twenty questions. There is an element of internal choice within some questions. All questions carry a mark allocation of 4 marks. Most candidates attempted all twenty questions. Examiners noted that candidates performed well in Section A in general.

QUESTION 1. Forms of Communication: This question was very well answered.

QUESTION 2. Acronyms/Initials: The initials were, in general, well known by candidates. However, 'PRSI' and 'DIRT' proved difficult for some candidates.

QUESTION 3. Market research: The majority of candidates outlined two reasons why market research is important to a business.

QUESTION 4.

(A) Sales Day Book: Most candidates had no difficulty completing the Sales Day Book and obtaining full marks. The most common error related to the mis-calculation of the figure for VAT.

or

(B) Sales Returns: This option was less popular and, in general, not well answered with many candidates only awarded two marks. The most common answer related to consumer law rather than to credit transactions.

QUESTION 5. Utmost Good Faith: This question was, generally, well answered. The majority of candidates mentioned truthfulness or honesty, but some failed to link it to the appropriate insurance forms.

QUESTION 6. Matching Documents with Statements: This question was not well answered in general.

QUESTION 7. Chain of Distribution: The term 'Chain of Distribution' was reasonably well explained by most candidates. However, some responses were incomplete due to the omission of the consumer, e.g. goods going from the manufacturer to the retailer.

QUESTION 8. GNP:

(i) Many candidates did not understand the initials 'GNP'. Instead of the word 'product', many candidates tended to give 'produce' or 'percentage or profit'.

(ii) Most candidates were able to calculate the rate of economic growth (6%), with workings, correctly. A minority calculated the rate of economic growth as €4, i.e. €54-€00.

QUESTION 9. Creditors Control Account: This bookkeeping question was one that proved difficult for many candidates, with very few earning full marks. Candidates scored better on the alternative format than on the 'T' shaped account.

QUESTION 10. Industrial Relations: Most candidates completed the first sentence correctly by inserting the words 'trade union'. Many candidates did not provide the words 'shop steward', which were required to complete the second sentence.

QUESTION 11. Profit & Loss Appropriation Account: This bookkeeping question on the Profit & Loss Appropriation Account proved difficult for many candidates and was rarely fully correct. For the dividends figure required in (i), some candidates got 10% of the Net Profit figure and others based it on Authorised Share Capital figure. The final detail, 'Retained Earnings/Reserves', required in (ii) was often incorrect.

QUESTION 12. Types of cheques: In general, this question on distinguishing between a post-dated cheque and a stale cheque was reasonably well answered. The stale cheque, unlike the post-dated cheque, did not cause any difficulty for the majority of candidates.

QUESTION 13. Currency conversion: This question proved to be difficult for most candidates, with full marks scored only by a small minority of candidates. The most common errors made by candidates were the failure to select the 'Bank Sells' rate for the calculation and not knowing the correct procedure for converting sterling to euro.

QUESTION 14. Delivery systems: This question was well answered. Most candidates listed two factors that a company would take into account before deciding on a suitable delivery system for goods.

QUESTION 15. General Journal: This bookkeeping question, on entering balances and calculating the ordinary share capital in the General Journal, was not well answered by many candidates. Only a minority of candidates calculated the share capital figure correctly. Many candidates did not include the year in the date.

QUESTION 16. Balance Sheet (extract): This bookkeeping question, based on an extract from a Balance Sheet, was reasonably well answered.

QUESTION 17. Credit Note (extract): Most candidates scored well on this question. The 'VAT and Total (including VAT)' sections of the document were well answered by candidates. The more successful candidates completed the 'Total (excluding VAT)' and 'Trade Discount sections correctly.

QUESTION 18. Terms/Sentences: This question was reasonably well answered. Candidates usually selected the term 'statement' to correctly complete the end of the sentence. The selection of the correct term 'creditor' in the first part of the sentence proved difficult for many candidates.

QUESTION 19. Unit price or False Economy:

(A) (i), (ii) This option was not well answered. The calculations were generally poorly attempted, and candidates did not appear to be familiar with the formula for unit price.

(B) The term 'False Economy' was reasonably well explained by candidates. This option was less popular than A.

QUESTION 20. Ledger account: This bookkeeping question proved to be difficult for many candidates. Many candidates did not score any marks for this question.

SECTION B: Total Marks 160

Candidates were required to attempt four of six questions in this section. All questions were equally weighted at 40 marks.

QUESTION 1. Household Budget

Attempt frequency: 96%

Average mark: 31

In keeping with previous years, this was the most popular question in Section B and was attempted by almost all candidates. The average mark awarded was also the highest in Section B.

(A) Galvin Revised Budget form: This part was generally well answered, particularly down to the line for Net Cash. Many candidates were awarded full marks in this question. Most candidates understood the concept of having the same figures on the Closing Cash line for the September and Total columns. However, errors included:

- Omitting the bonus of €1000 in September for Mr Galvin's salary
- Car costs not reduced to €70 per month from 1 August as required
- Omitting loan repayments in July and August as required.

(B)

(i) Month: Most candidates correctly named 'August' as a month in which planned income is greater than planned expenditure.

(ii) Expected amount of overspending for three months: Most candidates were not able to correctly indicate that in the Original Budget the Galvin household expect to overspend by €980. The answer most frequently provided by candidates was €480.

(iii) Mortgage repayments: Most candidates were able to give one correct reason why the repayments on the mortgage might increase. The most common incorrect answers were: 'due to inflation or putting on an extension at their house'.

(iv) Revised Budget: Most candidates were aware that the Revised Budget was a good one and ticked the box for 'Yes'. The two reasons provided by the majority of candidates were tended to be rather vague. Many candidates did not appear to realise that a budget is a financial plan of future income and expenditure.

QUESTION 2. Club Account

Attempt frequency: 59%

Average mark: 26

This was the second least popular question in Section B. The question had the second highest average mark in this section of the paper.

(A)

(i) Income and Expenditure Account: The Income and Expenditure Account was generally well answered by candidates. The heading for the account and the income section were, in general, well presented. Common errors included:

- Including Cash at Bank as income

- Omission or incorrect treatment of adjustments. The treatment of the adjustment for ‘Stationery on Hand’ proved to be difficult for a number of candidates.

(ii) Balance Sheet: The Balance Sheet was generally not as well answered as the Income and Expenditure Account. The Fixed Asset section was the only area where candidates displayed some knowledge of the Balance Sheet for a club. Most candidates had difficulty in correctly identifying ‘Wages due’ and ‘Subscriptions prepaid’ as items for inclusion in the Current Liabilities section of the Balance Sheet. The section ‘Financed By’ also proved difficult for many candidates who attempted this question.

(B) Functions of a Club Treasurer: This part of the question was generally well answered. Most candidates correctly explained at least two of the three required functions of a Club Treasurer. A minority of candidates confused the functions with those of a company director.

QUESTION 3. National Budget and Economic Awareness

Attempt frequency: 54%

Average mark: 24

This was the least popular question in Section B.

(A)

(i) National Budget: Most candidates successfully drafted the National Budget for 2007 and indicated that it was a Surplus Budget. However, many omitted headings and labels for figures.

(ii) Current Income: Most candidates correctly identified two examples of Current Income for the Government.

(iii) Capital Income: Most candidates identified one example of Capital Income for the Government. The most common answers were: ‘EU grants’ and ‘the sale of state-owned companies’.

(B)

(i) Increased spending on motorways: Most candidates found it difficult to explain two economic benefits and one economic drawback of increased spending on motorways, as government policy. Many of the answers provided by candidates did not refer to the economic aspects of the policy.

(ii)

(a) Types of financial institution: This was very well answered. Candidates had no difficulty in identifying two types of financial institution where the household may invest the SSIA money.

(b) Opportunity Cost: This was very well answered and most candidates had no difficulty in explaining the opportunity cost of deciding to buy the car.

(c) Effect on Balance of Payments: This was not well answered and many candidates had difficulty in outlining one effect of spending money on a foreign holiday on the Balance of Payments. Most candidates did not recognise the spending as an example of an invisible import.

(C)

Mixed economic system: This part was not well answered. Most candidates were not able to explain the statement provided. Some candidates referred to either the factors of production or categories of industry, in their answers.

QUESTION 4. Consumer

Attempt frequency: 64%

Average mark: 25

This was the fourth most popular question in Section B of the paper.

(A)

(i) Consumer law: This part was reasonably answered. However, some candidates named the incorrect Act or confused the title and date of the Act with the other relevant Act on the syllabus.

(ii) Relevant principle of consumer law: This was reasonably well answered. Some candidates stated an incorrect principle due to the error made in naming the Act in part (i).

(B)

(i) Letter of complaint: Most candidates had no difficulty in writing the letter of complaint. However, common errors included:

- Lack of paragraphs
- Failure to register the complaint adequately
- Failure to specify the redress required.

(ii) Methods of payment: Most candidates had no difficulty in giving two methods that could have been used in paying for the holiday. Some candidates gave 'proof of payment' methods, rather than the required methods of payment.

(C)

Agencies: This part of the question was not well answered. Most candidates were not able to name two relevant agencies. The most common correct answer was the 'Small Claims Court'. Many candidates incorrectly named the Ombudsman as an agency that could assist the Ryans.

QUESTION 5.**Personal Banking**

Attempt Frequency: 74%

Average mark: 25

This was the third most popular question in Section B.

(A)

(i) Application form: This part was, generally, very well answered. The majority of candidates completed the form with a high degree of accuracy.

Common errors included:

- Incorrect calculation of date of birth
- Incorrect calculation for length of time in present employment.

(ii) Legal requirements for opening a bank account: This was not well answered. Most candidates were unable to name three legal requirements that must be satisfied when opening a bank account. Although a similar type of question appeared on the equivalent section of the examination paper in 2006, very few candidates scored marks for the three legal requirements.

(iii) Current Account and Deposit Account: This was not well answered. Most candidates demonstrated some knowledge of each of the accounts. However, many candidates had difficulty in outlining two differences between a current account and a deposit account.

(iv)

(a) Overdraft: This was reasonably well answered. Most candidates gave a short answer rather than an explanation as was required in the question.

(b) Requirements for the granting of an overdraft: This was well answered. Most candidates were able to identify three requirements that Andy must satisfy before the bank will grant him an overdraft.

(B)

(i) Sources of Finance: This was reasonably well answered. The majority of candidates were able to identify two suitable sources of finance. The most common sources identified by candidates were: 'hire purchase' and 'term loan'. A minority of candidates identified the names of financial institutions rather than sources of finance as required in the question.

(ii) Rights of borrower: This was poorly answered. The majority of candidates were not able to outline two rights that Andy would have as a borrower. Many also confused the rights of a borrower with the responsibilities of a borrower. Some candidates gave their responses from the perspective of the bank rather than the borrower. Common errors included:

- The right to be treated equally
- The right to do what one wished with the money.

QUESTION 6.**People at Work**

Attempt frequency: 92%

Average mark: 24

This was the second most popular question in Section B.

(A)

(i) Rewards of being self-employed: This was well answered. The majority of candidates had no difficulty in outlining two rewards of being self-employed.

(ii) Risks of being self-employed: This was not well answered. Some candidates confused the risks with features of being self-employed, e.g. 'being lonely' or 'having to sack people'.

(iii) Responsibilities to an employer: This was well answered. Most candidates were able to outline three responsibilities. However, a small number of candidates confused the responsibilities of an employee with those of an employer.

(iv) Hardware and Software: This was reasonably well answered. Most candidates were able to identify two examples of each. However, in most cases, the explanation of the difference between hardware and software was poor. This was due to inadequate and somewhat vague answers.

(B) Calculation of net wage: This was reasonably well answered. Candidates who were familiar with the procedure for calculating an employee's net wage scored well in this part of the question.

Common errors included:

- Failure to calculate the overtime correctly
- Failure to show workings
- Failure to include detail with figures
- Subtracting the tax credit from the combined figure for PAYE and PRSI.

3.3.2 Paper II

This paper has a mark allocation of 160. It consists of six long questions of which candidates are required to attempt any four. All questions carry an equal weighting of 40 marks. In 2007, five of the six questions on this paper were bookkeeping and account related.

The table below sets out the attempt frequency of questions and the average marks obtained per question. The attempt frequency and average marks given for each question are based on an analysis of the results of a sample of 20 scripts per examiner and should be used as a general guideline only.

| Question | % Attempt | Popularity | Average Marks | Average % |
|----------|-----------|------------|---------------|-----------|
| Q.1 | 33 | 5 | 26 | 65 |
| Q.2 | 91 | 3 | 24 | 60 |
| Q.3 | 94 | 1 | 28 | 70 |
| Q.4 | 83 | 4 | 28 | 70 |
| Q.5 | 92 | 2 | 32 | 80 |
| Q.6 | 92 | 2 | 24 | 53 |

Table 7: Junior Certificate Business Studies (Higher Level) (Paper II) 2007 - Attempt frequency and average mark awarded

QUESTION 1. Books of First Entry, Ledger and Trial Balance

Attempt frequency: 33%

Average mark: 26

This was the second least popular question on the paper. Many of the candidates who were well prepared for this type of question scored full marks. Examiners noted that in a number of centres, candidates did not attempt this question. The level of practice given to this type of question was evident in the quality of answers presented by candidates. The recording of the bank transactions did not pose a problem for the majority of candidates who attempted the Analysed Cash Book. However, not all candidates were able to enter the opening balances in the General Journal.

(A~D) Common errors included:

- Entering SHORT Ltd in the credit column of the General Journal
- Omitting the narration in the General Journal
- Omitting the receipt numbers and cheque numbers in the Analysed Cash Book

- Omitting or inserting incorrect dates and folios
- Omitting opening balances in the ledgers
- Entering incorrect words in the details column in the ledgers.

QUESTION 2. Credit Sales, Business Document and Bookkeeping

Attempt frequency: 91%

Average mark: 24

This was the third most popular question on the paper.

(A)

(i) Terms: This part was reasonably well answered. The majority of candidates had no difficulty in explaining the term ‘VAT’. However, the term ‘Trade Discount’ proved problematic for many candidates. Most candidates referred to ‘a discount in the price’ rather than to ‘a reduction in the price charged to a business operating in a particular line of business before the inclusion of VAT’. Some candidates confused the term with ‘cash discount’.

(ii) Procedures for quotations: This was reasonably well answered. Some candidates were not able to recommend procedures to DOORS FOR ALL OCCASIONS Ltd when preparing and processing quotations.

(iii) Effective purchasing: This was reasonably well answered. However, most candidates only included one point of information in their answers on what is involved in effective purchasing.

(B)

(i) Reasons to complain: This was reasonably well answered. A number of candidates did not read the question correctly and gave ‘badly scratched doors’ as one of the reasons why Martin Banner might have to complain to Joan Shannon.

(ii) Credit Note No. 23: This was reasonably well answered. A number of candidates completed the blank document as an ‘invoice’ rather than as a ‘credit note’. Common errors included:

- Entering the incorrect date and order number;
- Omitting the reason for the Credit Note.

(iii) Sales Returns Book: This was generally well answered. The majority of candidates were able to record the issue of Credit Note No. 23 in the Sales Returns Book. However, the date and folio columns were often incomplete.

QUESTION 3. Cash Flow Forecast

Attempt frequency: 94%

Average mark: 28

This was the most popular question on the paper.

(A) Cash Flow Forecast: This was well answered, in general. The majority of candidates had no difficulty in completing the partially completed Cash Flow Forecast for HARP Ltd. Common errors included:

- Entering the loan in May under the incorrect month
- Omitting the bonus for wages in May
- Entering the purchase of motor vehicles in May under the incorrect month
- Entering the dividend in July under the incorrect month.

(B)

(i) ‘Receipts’ section: This was reasonably well answered. A number of candidates were unable to name two items, other than Cash Sales and loans, that could be entered in the ‘Receipts’ section of a Cash Flow Forecast.

(ii) Net Cast deficit: This was reasonably well answered. Most candidates were able to list two possible ways a business could deal with a Net Cash deficit in a particular month. However, some candidates appeared to misread the question and referred to medium and long-term solutions for dealing with a deficit in net cash in a particular month.

(iii) Cash Flow Forecast and Analysed Cash Book: This was not well answered. Most candidates were unable to explain a difference between a Cash Flow Forecast and an Analysed Cash Book.

QUESTION 4. Final Accounts and Balance Sheet

Attempt frequency: 83%

Average mark: 28

This was the fourth most popular question on the paper.

(A) Trading, Profit and Loss Appropriation Account and Balance Sheet: Many of the candidates who were well prepared for this type of question scored full marks. Examiners noted that in a number of centres, candidates did not attempt this question. A small number of candidates did not use the modern layout of the Balance Sheet as specified in the syllabus.

Common errors included:

- presenting incomplete and incorrect headings for the Trading, Profit and Loss Account and the Balance Sheet
- omitting to total the figures for depreciation in the Profit and Loss Account and the Balance Sheet
- miscalculating the dividend declared and frequent omission of dividend declared
- entering Bad Debts as an asset or liability rather than as an expense
- entering Bank Overdraft as an expense rather than as a current liability
- confusing the figures for Debtors and Creditors
- omitting Rent Receivable due from Current Assets
- omitting Authorised Share Capital from the Balance Sheet.

(B) ‘Depreciation’: Most candidates attempted to explain the term ‘depreciation’. While it was reasonably well answered, a number of candidates were unable to relate the term to fixed assets.

QUESTION 5. Marketing and Business Plan

Attempt frequency: 92%

Average mark: 32

This was the second most popular question on the paper.

(A) Questionnaire: This was reasonably well answered. Most candidates were able to construct three suitable questions to provide PJM Ltd with the information it requires. A number of candidates did not construct questions relating to the information required by PJM Ltd, i.e. colour(s) to be used; price to be charged; retail outlets to sell in.

(B)

(i) Selling price per hoodie: This was reasonably well answered. Most candidates attempted to calculate the selling price per hoodie. However, a number of candidates failed to calculate the selling price correctly.

(ii) Methods of promoting hoodies: This was reasonably well answered and most candidates were able to name three suitable methods of promoting hoodies in the Irish market. However, a number of candidates named three methods of advertising rather than three methods of sales promotion.

(iii) Business Plan: This was well answered, in general and most candidates completed the remainder of the Business Plan with a high degree of accuracy.

Common errors included:

- entering the incorrect name for the Marketing Manager
- entering the incorrect name for the Purchasing Manager
- entering incomplete names for the main competitors
- entering an incorrect figure for the loan required
- entering the incorrect date.

QUESTION 6. Report Writing and Assessing a Business

Attempt frequency: 24%

Average mark: 21

This was the least popular question on the paper.

(A) Ratios: This was not well answered. Only a small number of candidates calculated the four ratios specified in the question. Examiners noted that the level of knowledge of the ratios, as displayed by candidates who attempted this question, was disappointing.

(B) Report: This was reasonably well answered. In general, the layout of the report was better than in previous years when the skill of report writing was assessed. There is, however, room for further improvement in this skill.

Common errors included:

- Presenting the report in letter format
- Omitting the title of the report
- Omitting the title of the report writer
- Presenting the incorrect date for the report
- Making inappropriate comments based on the information from the four ratios.

3.4 Conclusions

- Examiners reported that, in general, candidates demonstrated satisfactory levels of knowledge and skills and that many candidates demonstrated a thorough knowledge of the syllabus.
- Candidates who performed less well tended to do so for some, or all, of the following reasons:
 - (i) a failure to read questions carefully
 - (ii) a failure to complete the required number of questions
 - (iii) a lack of knowledge in the bookkeeping, accounts and ratio elements of questions
 - (iv) a lack of knowledge of the economics section of the syllabus.

3.5 Recommendations for Teachers and Students

Teachers are advised to:

- refer to the published Business Studies marking schemes and Chief Examiner reports. These are available on the SEC website www.examinations.ie and are useful resources in preparing candidates for examination
- pay particular attention to the student outcomes as stated in the Business Studies syllabus
- ensure that students are familiar with the examination requirements by ending each topic with examination-style questions
- emphasise the importance of headings, particularly when teaching topics such as ‘Final Accounts and Balance Sheet’
- encourage candidates to show workings for calculations, where possible
- encourage candidates to write full answers to questions, where appropriate, and to pay particular attention to the command words such as ‘explain’
- encourage candidates to familiarise themselves with verbs for bookkeeping and account type questions such as ‘enter’, ‘post’ and ‘balance’
- ensure students have plenty of practice in computational and form filling questions
- ensure students have plenty of practice in bookkeeping and bookkeeping style questions
- practise completion of business documents and forms on a regular basis
- help students to keep up to date with modern developments in business
- encourage students to write in a neat and legible way
- encourage students to present dates in full and folios correctly
- ensure that students are familiar with the examination stationery and answer books
- encourage students to begin each question on a new page in the answer books provided.
- encourage students to write the number of the question clearly
- advise students to use the full time allocation for the examination.

Students are advised to:

- read and practise examination questions as often as possible
- practise bookkeeping, form filling and letter/report writing on a regular basis
- become familiar with the examination requirements and the number of questions to be attempted
- read each question carefully in the examination
- pay attention to the command words in questions such as 'list', 'name', 'construct', 'complete', 'record', 'post', 'balance' and 'explain'
- ensure that accounts have the full title included in the heading. Full dates should also be included, where appropriate
- choose questions carefully and complete the required number of questions
- use a black or blue pen when writing answers in the answer book provided
- avoid vagueness and repetition when answering questions
- begin each question on a new page in the answer book provided
- number and label each part of a question clearly in the answer book provided
- complete all sections and sub-sections of a question before moving on to the next question
- use the full time allocation for the examination
- take care when drawing charts and pay particular attention to scale, title and correct labelling.