



**Coimisiún na Scrúduithe Stáit
State Examinations Commission**

JUNIOR CERTIFICATE EXAMINATION 2012

BUSINESS STUDIES

**ORDINARY LEVEL CHIEF EXAMINER'S REPORT
HIGHER LEVEL CHIEF EXAMINER'S REPORT**

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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 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 written examination of two and a half hours duration. The examination paper has two sections, as follows:

Section A (100 marks) contains twenty short questions, with each question allocated five marks. Candidates are required to answer all of the questions. Questions in this section range over the entire Ordinary Level syllabus.

Section B (300 marks) contains eight long questions and candidates are required to answer 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 of 400 for the examination.

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) has 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.

Section B (160 marks) has 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 a 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. It consists of six long questions and candidates are required to answer any four. All questions carry an equal weighting of 40 marks.

1.3 The Candidature

1.3.1 Ordinary Level

	2009	2010	2011	2012
Total number of Junior Certificate candidates	55,557	56,086	56,841	58,798
Number of candidates taking Business Studies at Ordinary Level	10,336	9,665	9,411	8,287
% of total Junior Certificate cohort taking Business Studies at Ordinary Level	18.6	17.2	16.6	14.1

Table 1: Number and percentage of candidates taking Business Studies at Ordinary Level 2009 - 2012.

As can be seen from Table 1, the percentage of candidates taking Business Studies examination at Ordinary Level declined significantly in 2012.

1.3.2 Higher Level

	2009	2010	2011	2012
Total number of Junior Certificate candidates	55,557	56,086	56,841	58,798
Number of candidates taking Business Studies at Higher Level	21,869	22,739	23,139	24,998
% of total Junior Certificate cohort taking Business Studies at Higher Level	39.4	40.5	40.7	42.5

Table 2: Number and percentage of candidates taking Business Studies at Higher Level 2009 - 2012.

As can be seen from Table 2, the percentage of candidates taking the Business Studies examination at Higher Level in the period 2009 – 2012 has been increasing steadily.

2. Ordinary Level

2.1 Introduction

A total of 8,836 candidates presented for the Ordinary Level Examination in 2012. This represents 25.1% of the total number of candidates who presented for Junior Certificate Business Studies.

2.2 Performance of Candidates

Table 3 below shows the percentage of candidates achieving each grade at Ordinary Level in the years 2009 to 2012.

Year	Total	A	B	C	ABC	D	E	F	NG	EFNG
2009	10,349	7.7	39.5	29.8	77	16	4.5	2.1	0.4	7
2010	9,713	7.7	40.7	31.0	79.4	15.1	3.7	1.5	0.2	5.4
2011	9,412	8.4	37.7	31	77.1	16.2	4	2.4	0.4	6.8
2012	8,386	8.5	39.1	30.2	77.8	15.6	4.3	2.1	0.3	6.7

Table 3: Grade outcomes Junior Certificate Business Studies (Ordinary Level) 2009 – 2012. (Grade figures are in percentages.)

As can be seen from the data in Table 3, the results for 2012 were broadly in line with previous years. Examiners commented favourably on the layout and presentation of the examination paper and the ability of candidates to engage with it.

2.3 Analysis of Candidate Performance

Table 4 sets out the attempt frequency of questions and the average mark obtained per question. The information in this table has been derived from an analysis of a sample of scripts selected at random by each examiner.

Question	Topic	% Attempt	Popularity	Average Mark (out of 100)	Average %
Section A 20 Short questions		100	All questions compulsory	65	65
Section B				Average Mark (out of 60)	
Question 1	Budget	95	1	48	80
Question 2	Final Accounts	40	8	31	52
Question 3	Forms of Business and Letter Writing	75	2	36	60
Question 4	Banking	70	3	30	50
Question 5	Business Documents	70	3	44	74
Question 6	Farm Accounts	55	7	34	57
Question 7	Transport	60	5	26	44
Question 8	Information Technology	60	5	39	65

Table 4: Junior Certificate Business Studies 2012 (Ordinary Level) attempt frequency and average mark awarded

Table 4 demonstrates that in Section B, Question 2 on Final Accounts was the least popular question on the paper with an attempt rate of 40%. A similar observation was noted in the Chief Examiner's report 2007.

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

Section A: (100 Marks) *Average Mark: 65 (65%)*

Question 1. Acronyms/Initials: This question was generally well answered. Annual General Meeting was answered correctly but a small number of candidates had a problem with PRSI. The initials S and I were correctly identified as social insurance however, many candidates had difficulty with the initials P and R.

Question 2. Chain of Production: This question was answered well. A small number of candidates used seller instead of retailer and some confused wholesaler and retailer.

Question 3. Customers' Surnames: This question was generally well answered although some misplaced Kenny and Kennedy.

Question 4. Exchange Rates: Many candidates multiplied €550 by the exchange rate and a small number showed no workings as required in the question.

Question 5. Insurance Terms: Most candidates were able to explain the 'Proposal Form' but a large number were unable to explain the term 'Premium' and gave an explanation for 'Policy' instead.

Question 6. Borrowing: The majority of candidates correctly ticked Hire Purchase but some incorrectly ticked Deposit.

Question 7. Work and Employment: This question was very well answered by the majority of candidates.

Question 8. Current Assets: This question was not well answered. Candidates were unable to distinguish current assets from fixed assets. Many entered all four items.

Question 9. Cheques: This question was not well answered with many candidates incorrectly writing payee or drawer.

Question 10. Inflation: This question was answered very well by the majority of candidates.

Question 11. Factors of Production: This question was very well answered. A small number of candidates were unable to give capital as an answer.

Question 12. Clubs: Examiners commented that this question was not well answered and was left blank by a number of candidates. 'Accountant' and 'secretary' were frequently given as incorrect answers.

Question 13. Bank Account: Very few candidates demonstrated the correct procedure for balancing an account although examiners reported a slight improvement on recent years.

Question 14. Financial Institutions: This question was generally answered well, but many candidates could only name two institutions rather than the three required in the question. A 'safe' was the most common incorrect answer.

Question 15. Consumer: The majority of candidates showed a good knowledge of consumer rights. Most gave refund and money back as redress. A small number of candidates gave ‘credit note’ and ‘replacement’ as incorrect answers.

Question 16. Unit Pricing: The answers presented were quite good but the workings proved challenging for many candidates.

Question 17. Petty Cash Voucher: This question was answered very well. The most common error was the omission of Michael Greene’s name in the details section.

Question 18. Government Budget: A small number of candidates incorrectly added the figures for income and expenditure and showed little understanding of the terms ‘surplus’ or ‘deficit’.

Question 19. Bankruptcy: Many candidates incorrectly explained the term as ‘something to do with banks running out of money’. Examiners reported that very few candidates were aware that bankruptcy was a legal process.

Question 20. Note/Coin Analysis: The majority of candidates had no difficulty with this question.

Section B (300 marks)

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

Question 1 - Household Budget

*Average Mark: 48 (80%)
Attempt Frequency: 95%*

This question was answered by almost all students and was the most popular question in Section B.

(A) Household budget form: This part of the question was generally very well answered. Most common errors included:

- applying the mortgage increase incorrectly
- holiday costs (adding €3,200 and €800)
- the opening cash was given in June but not in the Total column as required
- many candidates did not complete the final three lines of the budget.

- (B) Discretionary expenditure: this was well answered and many candidates correctly used examples from the budget in explanations.
- (C) The annual mortgage calculation: examiners reported that some candidates did not appear to read the question properly with many incorrectly multiplying €670 or €770 by 12 or multiplying €770 by 11 and adding €670.

Question 2 - Final Accounts and Balance Sheet

Average Mark: 31 (52%)

Attempt Frequency: 40%

This question, as in previous years, was the least popular question in Section B.

- (A) Trading, Profit and Loss Appropriation Account and Balance Sheet: the majority of candidates who attempted this question produced answers of a very high standard and showed excellent bookkeeping skills. Some candidates attempted to answer the question but were unable to complete the accounts and therefore achieved low marks.

Common errors included:

- omitting the interest on the overdraft from expenses
 - omitting the date in the Balance Sheet
 - Current Assets and Current Liabilities were mixed up
 - Current Assets were added to Current Liabilities.
- (B) Closing stock: the explanation of this term was poorly answered in general. Most candidates confused closing stock with closing cash and incorrectly explained it as the money at the end of the year.
 - (C) Net profit margin: this was left blank by many candidates even though the formula was provided. Candidates were awarded marks for the use of their own figure for Net Profit which helped some to gain marks.

Question 3 - Forms of Business and Writing a Letter*Average Mark: 36 (60%)**Attempt Frequency: 75%*

This was the second most popular question in Section B.

(A) Letter: the letter was generally well presented.

Common errors made by candidates included:

- omitting the reference
- addresses were transposed
- one address omitted
- the absence of an introduction to the letter
- omitting a reference to the telephone call
- absence of the use of paragraphs.

In the content section of the letter many candidates gave one advantage and one disadvantage but struggled to provide a second point for each as required.

(B) Private limited company: the most common advantage given by candidates was 'limited liability'. A small number of candidates gave the advantages of a Sole Trader rather than a Private Limited Company as required.

(C) Company documents: this was well answered with candidates demonstrating a good knowledge of the documents associated with starting a company.

Question 4 - Banking*Average Mark: 30 (50%)**Attempt Frequency: 70%*

This was the third most popular question in this section of the paper. The average mark achieved was one of the lowest in Section B.

(A) Bank and branch:

- (i) This was a very well answered question and most candidates scored full marks.
- (ii) The majority of candidates gave the correct answer 'Current Account' but were unable to give a reason as required.
- (iii) The majority of candidates answered this part very well.

(B) Bank statement:

- (i) The entry was well explained by the majority of candidates.
 - (ii) Most candidates correctly identified that the cheque had not been cashed.
- (C) Correct explanations: examiners reported that many candidates failed to read the question properly and wrote their own explanations rather than those provided in the question.

Question 5 - Business documents

Average Mark: 44 (73%)

Attempt Frequency: 70%

This question on business documents ranked third in popularity along with question four.

- (A) Invoice: this part of the question was generally very well answered with most candidates scoring high marks.

Marks were lost for the following reasons:

- using an incorrect date
 - omitting the order number
 - using an incorrect address
 - including all four items
 - calculating the trade discount incorrectly which was then added instead of subtracted.
- (B) Cheque and Counterfoil: the cheque was generally well completed however, the payee's name was omitted by a large number of candidates. On the counterfoil, the cheque amount was added instead of deducted from the existing balance.
- (C) Receipt:
- (i) The receipt was, in general, well completed.
 - (ii) The most common correct answers as to why a receipt is important were:
 - a receipt is necessary for returned goods
 - a receipt must be produced in order to get a refund.

Question 6 - Farm Accounts*Average Mark: 34 (57%)**Attempt Frequency: 55%*

This was the seventh most popular question in Section B.

- (A) Analysed Cash Book: the majority of candidates who answered this question demonstrated a very good knowledge of bookkeeping. Examiners reported that the standard of answering has improved in recent years.

Marks were lost for the following reasons:

- omitting the opening cash balance
- balancing incorrectly or not at all
- entering transactions in the incorrect analysis columns.

- (B) Reasons for keeping farm accounts: this part of the question was not well answered. Examiners reported that the majority of candidates could only furnish two reasons rather than the three required. There was a tendency to repeat answers for the third point.
- (C) Interest calculation: the standard of answering was excellent. A small number of candidates added the interest figure to the capital sum which was not required.

Question 7 - Transport*Average Mark: 26 (43%)**Attempt Frequency: 60%*

This question ranked fifth in popularity along with Question 8.

Cost of journey: many candidates answered part (i) incorrectly due to the omission of the return journey between Mullingar and Athlone. Candidates were allowed marks for their own figures in the remainder of the question provided the correct procedure was followed. Most candidates scored well in parts (ii) to (iv). The majority of candidates forgot to include breaks for the driver in part (v) and consequently lost marks.

- (A) Choosing a transport system: candidates referred to modes of transport rather than stating the factors to be considered when choosing a transport system as the question required. Examiners reported that candidates appeared to have had difficulty with the term 'factor'.

- (B) The most common terms explained were Toll Roads and Motorways. Marks were lost by many candidates who failed to provide the level of detail required in the question.

Question 8 - Information Technology

*Average Mark: 39 (65%)
Attempt Frequency: 60%*

This question was popular and well answered. Examiners reported that since the introduction of the Booklet format for the examination paper the number of candidates attempting Questions 6, 7 and 8 has increased.

- (A) Parts (i) and (ii) were well answered. Examiners commented that the use of visual aids assisted candidate engagement with the question.

In part (iii) a large number of candidates confused Databases and Spreadsheets.

- (B) (i) The standard of answering for part (a) was very good. Examiners noted that many candidates demonstrated good numerical skills in the calculation of gross pay. Part (b) was also very well answered.

In the final part of the question there was a lot of repetition of points between parts (ii) and (iii) in candidate answers which resulted in a loss of marks.

Examiners reported that most candidates were not familiar with the rights and responsibilities of both employers and employees.

2.4 Conclusions

- results in the Ordinary Level examination for the last four years remain stable
- in general, candidates demonstrated good levels of knowledge and skills in the examination
- unsatisfactory performance was due to:
 - inadequate knowledge of parts of the syllabus
 - failure to read questions carefully
 - lack of knowledge of bookkeeping and accounting elements of questions
- candidates performed very well on the completion of documents, the Analysed Cash Book and letter writing
- Question 1 on the Household Budget remains the most popular question and was attempted by 95% of candidates while Question 2 on Final Accounts continues to be unpopular at Ordinary Level and was attempted by 40% of candidates
- the drop of 12% in the number of candidates opting for Ordinary Level in 2012 coincides with a continued increase in the numbers of candidates that are presenting at a Higher Level.

2.5 Recommendations for Teachers and Students

It is recommended that teachers:

- ensure that the entire syllabus is covered particularly the bookkeeping elements
- assist and encourage students to be aware of current topics in business.
- refer to the published Business Studies marking schemes and Chief Examiner Reports which are available on the SEC website www.examinations.ie and are useful resources in preparing students for the examination
- advise students in relation to the level of examination most appropriate to their level of achievement
- ensure students are familiar with the requirements of the written examination paper and provide opportunities to practise with the examination booklet format
- encourage students to show all workings
- continue to provide opportunities for students to practise the completion of blank documents such as cheques, petty cash vouchers and receipts
- encourage students to answer all parts of the attempted question
- encourage students to use the full time allocation for the examination

It is recommended that students:

- read and practise examination questions as often as possible
- familiarise themselves with examination requirements and the number of questions to be attempted (20 short questions and 5 long questions)
- pay attention to the command words used in questions such as ‘list’ ‘identify’ and ‘explain’
- present neat and legible work
- when drawing charts pay particular attention to scale, title and correct labelling
- show all workings
- use the full allocation of time allowed in the examination.

3. Higher Level

3.1 Introduction

A total of 24,998 candidates presented for the Higher Level Examination in 2012. This represents 74.9% of the total number of candidates who presented for Junior Certificate Business Studies.

3.2 Performance of Candidates

Table 5 below shows the percentage of candidates achieving each grade at Higher Level in the years 2009 to 2012.

Year	Total	A	B	C	ABC	D	E	F	NG	EFNG
2009	21,870	10.1	35.8	34.9	80.8	16.9	1.9	0.3	0.0	2.2
2010	22,743	9.7	36.6	36.9	83.2	15.1	1.4	0.2	0.0	1.6
2011	23,142	9.2	34.5	35.9	79.6	17.9	2.2	0.3	0.0	2.5
2012	24,998	9.9	35.2	34.9	80	17.2	2.4	0.3	0.0	2.7

Table 5: Grade outcomes Junior Certificate Business Studies (Higher Level) 2009 – 2012. (Grade figures are in percentages)

3.3 Analysis of Candidate Performance

3.3.1 Paper I

Table 6 sets out the attempt frequency of questions and the average mark obtained per question. The information in this table has been derived from an analysis of a sample of scripts selected at random by each examiner.

Question	Topic	% Attempt	Popularity	Average Mark (out of 80)	Average %
Section A 20 Short questions		100	All questions compulsory	47	59
Section B				Average Mark (out of 40)	
Question 1	Household Budget	97	1	28	70
Question 2	Club Account	60	5	30	75
Question 3	Economic Awareness	54	6	26	65
Question 4	Consumer	81	2	32	80
Question 5	Personal Banking and Saving	64	4	29	73
Question 6	People at Work and Information Technology	68	3	20	50

Table 6: Junior Certificate Business Studies 2012 (Higher Level Paper I) attempt frequency and average mark awarded

Section A: (80 Marks) *Average Mark: 47(59%)*

This section of the paper is compulsory. Candidates are required to answer all twenty questions. All questions carry a mark allocation of four marks. Most candidates attempted all twenty questions.

Question 1: Economic acronyms – Candidates performed well, in general, on this question. Examiners reported that this was a familiar opening question, which helped put candidates at ease at the start of the examination. The majority were awarded one mark for EU but GNP was misnamed as Gross National Profit or Price by some candidates. A small number did not recognise the initials CPI.

Question 2: Fixed and variable costs – This question was not well answered. Many candidates listed incorrect examples of fixed cost with ‘tax’ instead of road/car tax. Frequent correct answers included wages and tolls.

Question 3: Balance Sheet extract – This question was generally well answered. A small number of candidates incorrectly added the cost and depreciation of equipment. Depreciation on buildings was mistakenly deducted from the net book value.

Question 4: Third parties in an industrial dispute – This question was not well answered. A small number of candidates referred to third parties who resolve consumer problems.

Question 5: Calculate mark-up percentage – This question was not well answered. Examiners reported that a large number of candidates entered the sales figure and failed to calculate the cost of sales. Workings were not shown in some cases.

Question 6: Risks of self-employment – Candidates did not perform well on this question. Many gave the characteristics of self employment rather than the risks. A large number of candidates stated ‘unlimited liability’ or ‘provide all the capital’ but failed to elaborate.

Question 7: Ledger accounts – Examiners noted that the standard of answering in this type of question remains generally poor. Common errors included confusing the purchases with the delivery van and entering delivery van instead of bank.

Question 8: Creditor’s control account – The standard of answering in this question has improved with the T format most popular. Some candidates presented both versions rather than one as required. A common error was entering Bank €5,400 on the credit side.

Question 9: Insurable Interest – Many candidates confused the principle of insurance with that of indemnity. Some thought it was interest to be paid. A small number gave good answers but omitted the word ‘financial’ and lost marks as a result.

Question 10: Final Accounts – A large number of candidates ticked one box for stock (31/12/2011) rather than the two required. A minority ticked all the boxes.

Question 11: Stock taking – This question was very well answered.

Question 12: General Journal – This question was generally well answered.

Question 13: Insurance premium calculation – This question was very well answered with many candidates achieving full marks.

Question 14: Name the Parties to the Cheque – This question was generally well answered but a small number of candidates explained the term instead of entering the names, as the question required. Some confused the drawer and the payee.

Question 15: Reasons for Advertising – The majority of candidates performed well with a wide range of acceptable answers provided.

Question 16: Balance of Trade – Examiners reported that approximately half of the candidates presented a fully correct answer, while the remainder incorrectly included invisible items. Some calculated the correct figure but did not indicate that it was negative.

Question 17: Sales Book – This question was very well answered. Any loss of marks was due to incorrect details such as sales, Lemon Ltd, or omitting the year from the date.

Question 18: Documents – This question was well answered by the vast majority of candidates. A small number confused a receipt and credit note.

Question 19: Match the terms to the statement – Most candidates were able to match the statements correctly.

Question 20: Complete the Profit and Loss Appropriation Account - A large number of candidates were able to bring up the closing balance from 2010 as the opening balance for 2011 thereby earning full marks. Some failed to recognise that the accounts were for consecutive years.

Section B

Question 1 - Household Budget

Average Mark: 28 (70%)

Attempt Frequency: 97%

This was the most popular of the optional questions and the majority of candidates performed very well in Part A

- (A) The correct procedure was applied to the net cash, opening cash, and to the closing cash lines.

The main errors were:

- putting Ms. Harte's income into all three months
 - using the annual insurance figure €1,200
 - entering the increased car costs of €30 in July
 - recording figures in the wrong month.
- (B) (i) The majority of candidates stated that the amount was fixed/same but fewer referred to the regular time element.
- (ii) This was well answered with virtually all candidates selecting the correct month. Occasionally an incorrect answer of July was given.
- (iii) Examiners reported that candidates did not read the question accurately or did not know the difference between net cash and closing cash.
- (iv) The vast majority stated 'yes' but failed to support answers using figures from the budget and lost marks as a result.

Question 2 - Club Account

Average Mark: 30 (75%)

Attempt Frequency: 60%

This question was the second least popular of the optional questions. It had the second highest average mark in Section B.

- (A) (i) This part of the question was very well answered with most candidates achieving full marks.

Marks were lost due to:

- omitting 'for year ending' in the heading
- treating the cash balance as an income
- omitting the total depreciation figure

- adding the stock of stationery rather than subtracting it
 - failure to label the deficit correctly.
- (ii) This part of the question was also well answered, particularly the Fixed Asset section. Answers had appropriate headings and good layout. The procedure for calculating the working capital and net assets was well known. Some encountered difficulty in the treatment of the adjustments. In the ‘Financed by’ section of the Balance Sheet some referred to the deficit as ‘reserves,’ while a minority failed to complete the ‘Financed by’ section.
- The areas that caused most difficulty, resulting in loss of marks were:
- incomplete title e.g. no date
 - using ‘for year ending’ in the title
 - failure to identify the stock of stationery as a Current Asset
 - failure to identify subscriptions prepaid as a Current Liability
 - the deficit was not subtracted from the Accumulated Fund.

(B) Most candidates furnished good answers and earned the maximum six marks. A small number of candidates presented incorrect answers such as ‘in charge of the money.’ Some confused the Treasurer with the Secretary.

Question 3 - Economic Awareness, National Budget and Opportunity Cost

Average Mark: 26 (65%)

Attempt Frequency: 54%

This was the least popular question on the examination paper but the standard of answering was quite good.

(A) (i) The term ‘mixed economy’ was well explained. Most candidates correctly explained that both ‘government and private’ enterprises produce goods or own businesses. Some failed to distinguish between the political and economic system and stated that both government and private individuals ran the country.

The term ‘economic growth’ was reasonably well answered but did not always earn full marks as candidates referred to a ‘change’ rather than an ‘increase’ in output. Some failed to include the time element while others erroneously referred to an increase in sales or in the value of goods.

- (ii) Candidates' answers displayed a good knowledge of the present economic situation and a large number provided relevant consequences for the decline in economic growth.

Incorrect answers referred to:

- international trade and exports
- inflation
- the cost of living rather than the standard of living.

- (B) (i) This part of the question was well answered and well presented with many earning the maximum sixteen marks.

Marks were lost due to:

- including agriculture as an income
- debt servicing included as an income
- omitting the title
- failure to include the date in the title.

- (ii) The vast majority of candidates were able to identify the correct government department.
- (iii) Most candidates were able to explain the concept of opportunity cost and provided good examples in relation to the national budget.

Errors included:

- failing to refer to the National Budget as required in the question
- stating the choices made by the government but not indicating the alternative foregone.

- (iv) The types of government expenditure were generally well explained and the majority of candidates earned at least one mark for each.

The main problem areas were:

- stating schools and hospitals but failing to distinguish between building or running
- explaining capital expenditure incorrectly as 'spending large amounts of money'.

- (v) Examiners reported that there was an improvement in the standard of answers compared to previous years.

Errors included:

- including the capital element as well as the interest in the repayments
- failing to link 'debt servicing' to the interest on the national debt.

Question 4 - Letter Writing and Consumer Information

Average Mark: 32 (80%)

Attempt Frequency: 81%

This was the second most popular question after the household budget. Examiners reported that most candidates demonstrated good knowledge of consumer law. This question earned the highest average mark in Section B.

(A) The majority of candidates presented very good letters with the required content supplied and consequently earned full marks.

Marks were lost due to:

- misplacement of addresses
- using 24/04/2012 as the date of purchase
- opening the letter with 'Dear Manager'
- omitting the reference
- failure to specify the type of redress required.

- (B) (i) Candidates displayed a good knowledge of consumer law but a small number incorrectly stated the Consumer Information Act rather than the Sale of Goods and Supply of Services Act as the question required.
- (ii) The majority of candidates correctly identified the two principles of consumer law required but did not elaborate and lost marks as a result.
- (iii) Most candidates identified one proof of purchase only rather than the two required. The most common correct answers given were receipt or invoice.

Incorrect answers were:

- a bank statement
 - CCTV in the shop
 - guarantee
 - cheque stub.
- (iv) Candidates performed very well on this part of the question. The most frequent answer given was the need to return goods.

- (C) Examiners reported an excellent standard of answering with most candidates achieving the maximum six marks.

Question 5 - Personal Banking and Savings

*Average Mark: 28 (70%)
Popularity: 70%*

This was the fourth most popular question. Examiners reported that the completion of an application form attracted many candidates to this question. It had the third highest average mark in Section B.

- (A) (i) Candidates performed very well with most achieving the maximum ten marks.

The main errors were:

- inserting Ireland instead of Cork as place of birth
- referring to Michael as Mrs
- failing to tick the 'yes' box
- writing 'retired' in the former occupation box.

- (ii) This part of the question was not well answered. The majority of candidates gave just two requirements for opening a bank account rather than the three specified in the question.

Marks were lost due to:

- omitting the word 'proof' of identity and 'proof' of address
- failure to mention PPSN
- failure to mention the source of income
- giving personal details such as: name, address, and date of birth
- stating that a specimen signature was required.

- (iii) The majority of candidates achieved only four marks out of a possible eight as they did not present a comparison of the two types of accounts. Examiners reported that the most popular correct answer in relation to a deposit account was earning interest.

Marks were lost for the following reasons:

- stating that an ATM card can be used with a current account but not with a deposit account

- a lack of clarity in the points expressed.
- (iv) This part of the question was reasonably well answered. Frequent correct answers presented were cheque, laser card, ATM and cash back in the shop.

Incorrect answers were:

- at the counter in the bank without mentioning the completion of a withdrawal slip
 - by credit card.
- (B) (i) This part of the question was well answered by most candidates.
- (ii) A large number of good answers were presented. A small number of candidates lost marks for:
- using A.P.R. instead of C.A.R.
 - presenting one word answers without elaboration as required.

Question 6 - People at Work and Information Technology

Average Mark: 20 (50.5%)

Attempt Frequency: 68%

This was the third most popular question but had the lowest scoring average mark in Section B.

- (A) Examiners reported that the explanations of the underlined terms were unsatisfactory.

Commission: explanations provided by candidates were of a reasonably good standard however a small number omitted the word 'sales' on occasions.

Flexitime: most explanations were either incorrect or inadequate.

Marks were lost due to:

- omitting with 'employers' consent'
- omitting 'within limits'.

Subsidised Meals: examiners noted that candidates were unable to explain this term. Some stated that it was a benefit-in-kind but did not elaborate further and consequently lost marks.

Equal Opportunities Employer: the majority of candidates provided answers which referred to discrimination at work but subsequently failed to link it to employment or recruitment.

- (B) (i) This part of the question was well answered and a large number of candidates earned full marks.

Errors included:

- confusing the employer and employee
- stating ‘to respect the employer’.

- (ii) This part of the question was not well answered. Examiners reported that candidates displayed a limited understanding of I.T. Many confused general office skills and communication skills with I.T. skills. A small number did refer to using the internet, word processing and databases but were unable to provide an explanation of their use or benefit for the job advertised.

Incorrect answers were:

- be polite on the phone
- be able to repair the computer
- be able to install software
- to know how to use the computer.

- (C) Examiners noted that most candidates displayed a good numerical ability in the calculation of gross pay. Marks were lost due to the omission of labels on the figures calculated, for example, basic pay, overtime, and gross pay.

3.3.2 Paper II

This paper has a mark allocation of 160 marks. There are six questions and candidates are required to answer any four. All questions carry an equal weighting of 40 marks.

Table 7 shows the attempt frequency and average mark per question based on the results of a sample of 20 scripts per examiner.

Question	Topic	% Attempt	Popularity	Average Marks (out of 40)	Average %
1	Books of First Entry	30	6	28	70
2	Business Documents	95	Joint 1	30	75
3	Cash Flow Forecast	95	Joint 1	31	78
4	Final Accounts	75	3	31	78
5	Selling on Credit and Bad Debts	61	4	19	48
6	Sources of Finance and Report Writing	53	5	18	45

Table 7: Junior Certificate Business Studies 2012 (Higher Level Paper II) attempt frequency and average mark awarded

Question 1 - Books of First Entry, Ledger and Trial Balance

Average Mark: 28 (70%)

Attempt Frequency: 30%

This was the least popular question but it had the fourth highest average mark.

Many of the candidates who answered Question 1 demonstrated very good bookkeeping skills and earned between 36 and 40 marks. The Analysed Cash, the Purchases and Purchases Returns Books were generally well answered.

Examiners reported that candidates who did not use the bookkeeping stationery provided lost valuable time ruling the standard stationery.

Marks were lost in the sections A – D for the following reasons:

Books of First Entry:

- omitting the Invoice and Credit Note Numbers in the Purchases and Purchases Returns Books
- omitting the opening lodgement in the Analysed Cash Book
- omitting the Cheque and Receipt Numbers in the Analysed Cash Book
- omitting dates or inserting incorrect dates.

Ledgers:

- inserting incorrect folios - folios in the books of first entry should relate forward to the Ledger, and folios in the Ledger should relate back to the books of first entry
- inserting incorrect details in the Purchases, Purchases Returns and VAT Accounts in the Ledger e.g. inserting Balance, Total or Sundries for all details instead of Bank, Sales, Purchases etc
- inserting individual entries in the Purchases and VAT accounts instead of totals from the Purchases and Purchases Returns Books
- inserting incorrect or inconsistent figures for VAT on Purchases, Purchases Returns and VAT accounts
- transposing entries in the Ledger.

Trial Balance:

The Trial Balance was generally well answered and balances were consistent with the Ledger and Analysed Cash Book. A small number of candidates omitted the bank balance and transposed entries.

A significant number of candidates lost presentation marks because of incorrect dates and the omission of folios.

Question 2 - Sales, Business Document and Bookkeeping

*Average mark: 30 (75%)
Attempt Frequency: 95%*

This question was the joint most popular question along with Question 3. It had the third highest average mark. The majority of candidates performed very well on the completion of the Delivery Docket and Credit Note. The standard of answering on the Sales Returns Book was reasonably good. A significant number of candidates did not answer the theory well or omitted it altogether.

Marks were lost for the following reasons:

- (A) (i) Most candidates were unable to name the three correct business documents required in the question with some naming just two, while others named those excluded, as well as cheques and receipts.
- (ii) Examiners noted that a large number of candidates calculated the 10% deduction for damaged goods or the mark-up of 45% but not both and lost marks as a result. Workings were also omitted in some cases.
- (B) (i) Delivery Docket - inserting an incorrect date, order number and omitting 'Ltd' in the name of the buyer.
- (ii) Examiners reported that candidates were not familiar with the procedures used when preparing and processing business documents (p. 13 of syllabus) and lost marks as a result.
- (C) (i) The Credit Note was generally well answered but a small number of candidates confused it with an Invoice.
- (ii) The majority of candidates failed to include the reason for issuing the Credit Note and omitted 'Ltd' with the buyer's name.
- (iii) Candidates with good bookkeeping skills performed very well in recording the Credit Note details in the Sales Returns Book. However, examiners reported that those less familiar with bookkeeping omitted folios and entered incorrect dates and details.

Question 3 - Cash Flow Forecast

Average mark: 31 (78%)

Attempt Frequency: 95%

This question was the most popular question along with Question 2. It also had the highest average mark along with Question 4. Section (A) of the question was answered well by most candidates. The standard of answers in Section (B) was more variable.

(A) The areas that caused most difficulty, resulting in loss of marks were:

- omitting the February and March figures in the total column despite this column being labelled Feb – July
- continuing the payment of rent into June and July
- entering the buildings in the rent row or in an incorrect month
- entering the light and heat in each month rather than every second month
- entering an incorrect opening cash figure in the total column
- having a different closing cash figure for July and the total columns.

(B) Marks were lost for the following reasons:

- omitting a reference to the ‘future’ aspect of a Cash Flow forecast in answers
- providing an incomplete explanation for the lower light and heat payments in June
- repeating the excluded answers when giving examples of items that could be entered in the Receipts section of the cash flow forecast.

Question 4 - Final Accounts and Balance Sheet

Average mark: 31 (78%)

Attempt Frequency: 75%

This question was the third most popular question and had the highest mark along with Question 3. The standard of answering was very good where candidates had been prepared in bookkeeping, however, a small number of candidates showed poor preparation for the question and did not answer well. Examiners reported that most candidates attempted Part (B) which was a welcome development on previous years. Examiners reported that candidates who did not use the bookkeeping stationery provided lost valuable time ruling standard stationery.

(A) Marks were lost for the following reasons:

Trading, Profit and Loss Account:

- omitting the company name from the title
- inserting Carriage Inwards, Commission Receivable and Dividends paid under expenses
- adding the Cost of Sales to Sales
- failure to total depreciation figures
- mixing up Gross Profit with Net Profit
- omitting the Gross Profit and Net Profit labels
- subtracting amounts due and adding amounts prepaid.

Balance Sheet:

- mixing up Current Assets with Current Liabilities especially with adjustments for gains and expenses
- including Dividends Paid in Current Liabilities
- adding depreciation figures to the cost of Fixed Assets to arrive at the Net Book Value figures
- omitting adjustments from both Current Assets and Current Liabilities
- omitting Authorised Share Capital.

(B) This part of the question was well answered by most candidates. Marks were lost for the following reason:

- omitting the section altogether
- failure to refer to Fixed Assets or examples of Fixed Assets
- failure to refer to a reduction in the value of the Fixed Asset
- omitting a reason for the depreciation.

Question 5 - Selling on Credit and Bad Debts

Average mark: 19 (48%)

Attempt Frequency: 61%

This was the fourth most popular question with the second lowest average mark.

Examiners reported positively on the relevance of this question.

Marks were lost for the following reasons:

- (A) (i) Answering from the customer perspective rather than the business.
- (ii) Omitting that the customer had to obtain the references from banks and other businesses.
- (iii) Giving one method of reducing bad debts rather than the two required in the question.
- (iv) Omitting 'reducing the profit'.
- (B) (i) Examiners noted that the majority of candidates obtained only two out of three marks as they failed to mention that the inability to pay was to be made known publically.
- (ii) Candidates calculated the amount of money received correctly but then added this to €30,000.
- (iii) Very few candidates knew how to record the writing off of the bad debt in the General Journal. Dates, the amounts and columns were incorrect and the narration was omitted.
- (iv) The majority of candidates attempted the Analysed Cash Book, however marks were lost as the only entry was a figure in the bank column. The dates and folios were frequently incorrect and the Receipt Number was often omitted.

Question 6 - Sources of Finance and Report Writing

*Average mark: 18 (45%)
Attempt Frequency: 53%*

This was the second least popular question with the lowest average mark on the examination paper.

In relation to the report itself candidates presented answers in the form of a report, a letter or as a series of answers to the questions asked. Examiners reported that many candidates did not know how to use the report template provided which was disappointing given that a similar question had been asked in the 2010 examination.

For the content section of the report, many candidates were unable to calculate the interest on the loan, explain the meaning of collateral/security or name the sources of finance suitable for obtaining the delivery van.

The areas that caused most difficulty, resulting in loss of marks were:

- failure to present the answer in a report format
- omitting 'Directors' in the 'to' section of the report
- inability to calculate the interest payable over the three years
- workings not shown
- naming just one source of finance rather than the two required and failing to provide further elaboration.

3.4 Conclusions

- results in the Higher Level examination for the last four years remain stable
- candidates in general, demonstrated good levels of knowledge and skills in the examination
- unsatisfactory performance was due to:
 - inadequate knowledge of parts of the syllabus
 - failure to read questions carefully
 - lack of knowledge of bookkeeping and accounting elements of questions
- candidates who did not use the bookkeeping stationery provided, lost valuable time ruling standard stationery
- candidates performed very well on the completion of documents, the Analysed Cash Book and letter writing.

3.5 Recommendations to Teachers and Students

It is recommended that teachers:

- ensure that all areas of the syllabus are covered
- assist and encourage students to be aware of current topics in business
- refer to the published Business Studies marking schemes and Chief Examiner Reports which are available on www.examinations.ie and are useful resources in preparing students for the examination
- advise students in relation to the level of examination most appropriate to their level of achievement
- ensure students are familiar with the requirements of the written examination paper and provide opportunities to practise with bookkeeping stationery
- explain the meaning of examination terminology (question cues) e.g. explain, describe, distinguish, outline and list
- continue to provide opportunities for students to practise the completion of blank documents
- encourage students to show all workings
- emphasise the importance of headings, particularly in topics such as ‘Final Accounts’
- continue to provide opportunities for students to practise bookkeeping skills
- ensure that students are familiar with the format and layout of business letters
- remind students that dates must include the year
- encourage students to answer all parts of the attempted question
- encourage students to use the full time allocation for the examination
- advise students to present neat and legible work
 - start each question on a new page
 - number and label all questions, sections and subsections correctly
 - label graphs and charts paying particular attention to scale and titles.

It is recommended that students:

- be familiar with the layout of the examination paper
- read and practise examination questions as often as possible
- practise bookkeeping, form filling, letters, reports and documents regularly
- select intended questions carefully and complete the required numbers of questions
- present neat and legible work
 - start each question on a new page
 - number and label all questions, sections and subsections correctly
 - label graphs and charts paying particular attention to scale and titles
- use correct dates (including years) and folios where appropriate
- show workings always
- label calculated figures
- use the full time allocation in the exam.