

WARNING

You must return this section with your answer book, otherwise marks will be lost.

Candidate's Examination Number



Coimisiún na Scrúduithe Stáit State Examinations Commission

JUNIOR CERTIFICATE EXAMINATION 2011

BUSINESS STUDIES – HIGHER LEVEL – PAPER I

TUESDAY 14 JUNE – MORNING 9.30 – 12.00

SECTION A

(80 marks)

Answer all 20 questions. Each question carries 4 marks.

**Calculators may be used.
Make and Model of Calculator Used:**



OVER 

SECTION A

(80 marks)

Answer all 20 questions. Each question carries 4 marks.

1. The following initials are used in Banking. What do they stand for?

APR	
ATM	
PIN	

2. Identify **one** example of regular income for each of the following:

Employed Person	
Unemployed Person	
Retired Person	

3. Complete the Balance Sheet (extract) below by filling in the **three** unshaded areas, numbered **(i)** to **(iii)**:

Balance Sheet (extract) as on 31-12-2010		
	€	€
Fixed Assets		(i)
Current Assets	490,000	
Less Current Liabilities	(ii)	
(iii)		120,000
Total Net Assets		840,000

4. Identify **two** responsibilities of an employer towards their employees:

(i) _____

(ii) _____

5. The following figures appear in a company's Final Accounts:

Gross Profit €180,000 Sales €720,000 Total Expenses €60,000

Net Profit Percentage is calculated as follows: $\frac{\text{Net Profit}}{\text{Sales}} \times \frac{100}{1}$

Using the above figures, calculate the Net Profit Percentage.
Show your workings.

Answer:
%

Workings:

6. Explain **two** factors that a company would take into account before deciding on a suitable delivery system for their goods:

(i) _____

(ii) _____

7. On 7 June 2011, T. Smyth bought goods on credit from J. Foley for €8,120. There was no VAT on these goods.

Complete the following **ledger accounts of T. Smyth** showing the names of the accounts and the relevant details, numbered (i) to (iv):

(i) _____ A/c

Dr			Cr		
Date	Details	€	Date	Details	€
2011 June 7	(ii)	8,120			

(iii) _____ A/c

Dr			Cr		
Date	Details	€	Date	Details	€
			2011 June 7	(iv)	8,120

8. Complete **and** balance the Debtors Control Account on 31 May 2011 from the following information:

	€
Debtors balance on 1 May 2011	4,900
Total credit sales for May	5,900
Total cash received from debtors in May	6,100

Debtors Control Account					
Dr					Cr
Date	Details	€	Date	Details	€

OR (Alternative Format)

Debtors Control Account				
Date	Details	Dr	Cr	Balance
		€	€	€

9. Explain the term 'Inflation'.

10. Tick (✓) the appropriate column(s) to indicate where in the Final Accounts of a Doctor (service business) the following items should be entered on 31/12/2010:

	Operating Statement	Balance Sheet
Income from Patients		
Equipment		
Stock of Medicines 31/12/2010		

11. State **two** principles of the **Sale of Goods and Supply of Services Act 1980** relating to goods.

(i) _____

(ii) _____

12. Enter the following balances in the partially completed General Journal of Barr Ltd:

1 January 2011	Premises	€600,000
	Creditors	€42,000
	Ordinary Share Capital	€583,000

Barr Ltd – General Journal				
Date	Details	F	Dr	Cr
			€	€
	Bank	CB ₁	25,000	
	Premises	GL ₁		
	Creditors	CL ₁		
	Ordinary Share Capital	GL ₂		
	<i>Assets, Liabilities and Share Capital of Barr Ltd on this date.</i>			

13. On 1 May 2011, a Petty Cashier had an imprest of €250. During the month of May, he spent €56 on stationery, €93 on postage and €90 on refreshments.

(i) Explain the term 'Imprest'.

(ii) Calculate the amount the Petty Cashier will require to restore the imprest.
Show your workings.

Answer:
€

Workings:

14. List the four P's of marketing (the marketing mix).

(i)	
(ii)	
(iii)	
(iv)	

15. Explain **two** reasons for Purchases Returns.

(i) _____

(ii) _____

16. Identify **one** example of Government Current Income and **one** example of Government Current Expenditure:

CURRENT INCOME	
CURRENT EXPENDITURE	

17. Enter the following transaction in the Purchases Book of Violet Ltd:

On 12 June 2011, Violet Ltd purchased goods €3,500 from Rose Ltd (Invoice No. 5).
The VAT rate on these goods was 21%.

Violet Ltd – Purchases Book						
Date	Details	Invoice No.	F	Net €	VAT €	Total €

18. Explain the term ‘Collateral/Security’.

19. **Column 1** is a list of information technology terms. **Column 2** is a list of statements that can be matched to these terms.

(One statement does not refer to any of the information technology terms.)

Information Technology Terms	Statements
1. Electronic Mail (e-mail)	A. Controller/Heart of the computer.
2. Central Processing Unit	B. Visual Display Unit.
3. Spreadsheet	C. Program used to perform mathematical and financial calculations.
4. Monitor	D. Program used to keep computerised records.
	E. Method of sending messages between computers over the internet.

Match the two lists by placing the letter of the most appropriate statement under the relevant number below:

1.	2.	3.	4.

20. Calculate which carton size of Fruity Orange Juice is the best value for money.



Tick (✓) the correct box

200g

300g

400g

Workings

For use in answering Section B - Question 1(A)

Planned Budget for the Maher Household for 2012

	Jan	Feb	Mar	Total Jan-Mar	Estimate Apr-Dec	Total for Year Jan-Dec
PLANNED INCOME	€	€	€	€	€	€
John Maher Salary	1700	1700	1700	5100		
Paula Maher Salary	1500	1500	1500	4500		
Child Benefit	487	487	487	1461		
TOTAL INCOME	3687	3687	3687	11061		
PLANNED EXPENDITURE						
<i>Fixed</i>						
Mortgage	800	800	800	2400		
Car insurance	40	40	40	120		
Annual house insurance		840		840		
Subtotal	840	1680	840	3360		
<i>Irregular</i>						
Household costs	750	750	750	2250		
Car running costs	130	440	130	700		
Telephone	50	60	60	170		
Light and heat costs	140		140	280		
Subtotal	1070	1250	1080	3400		
<i>Discretionary</i>						
Entertainment costs	120	130	150	400		
Presents		200		200		
Holidays		500		500		
Subtotal	120	830	150	1100		
TOTAL EXPENDITURE	2030	3760	2070	7860		
Net Cash	1657	-73	1617	3201		
Opening Cash	250	1907	1834	250		
Closing Cash	1907	1834	3451	3451		

For use in answering Section B - Question 1(B)

(B)

(i) Explain the term ‘job share’ in the Maher Household Budget.	For Office Use Only	
Answer:		

(ii) Outline one reason why the repayments on the mortgage might increase.	For Office Use Only	
Reason:		

(iii) At the end of March 2012 what will be the expected closing cash balance for the Maher household?	For Office Use Only	
Balance: €		

Document for use with Section B - Question 4(A)(iv)

Allied Life Insurance Limited Proposal Form	
<i>Please answer all questions fully and truthfully</i>	
Name	
Address	
Age	Single <input type="checkbox"/> Married <input type="checkbox"/>
Sex Male <input type="checkbox"/> Female <input type="checkbox"/>	Occupation
Type of policy required (Please tick)	
Endowment Policy <input type="checkbox"/>	Whole Life Policy <input type="checkbox"/>
Value of Life Assurance required	€ <input style="width: 150px;" type="text"/>
<i>Please tick the appropriate box</i>	
1. Are you in good health?	Yes <input type="checkbox"/> No <input type="checkbox"/>
2. Do you smoke?	Yes <input type="checkbox"/> No <input type="checkbox"/>
3. Do you consume alcohol?	Yes <input type="checkbox"/> No <input type="checkbox"/>
4. Are you likely to engage in a hazardous occupation or hobby?	Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, give details _____ _____
Method of Payment	
Declaration: I declare that all the information given above is true and complete.	
Signature _____	Date _____

**PLEASE REMEMBER TO RETURN THIS SECTION A
WITH YOUR ANSWER BOOK**

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