



Coimisiún na Scrúduithe Stáit
State Examinations Commission

Junior Certificate 2016

Marking Scheme

Business Studies

Ordinary Level

Note to teachers and students on the use of published marking schemes

Marking schemes published by the State Examinations Commission are not intended to be standalone documents. They are an essential resource for examiners who receive training in the correct interpretation and application of the scheme. This training involves, among other things, marking samples of student work and discussing the marks awarded, so as to clarify the correct application of the scheme. The work of examiners is subsequently monitored by Advising Examiners to ensure consistent and accurate application of the marking scheme. This process is overseen by the Chief Examiner, usually assisted by a Chief Advising Examiner. The Chief Examiner is the final authority regarding whether or not the marking scheme has been correctly applied to any piece of candidate work.

Marking schemes are working documents. While a draft marking scheme is prepared in advance of the examination, the scheme is not finalised until examiners have applied it to candidates' work and the feedback from all examiners has been collated and considered in light of the full range of responses of candidates, the overall level of difficulty of the examination and the need to maintain consistency in standards from year to year. This published document contains the finalised scheme, as it was applied to all candidates' work.

In the case of marking schemes that include model solutions or answers, it should be noted that these are not intended to be exhaustive. Variations and alternatives may also be acceptable. Examiners must consider all answers on their merits, and will have consulted with their Advising Examiners when in doubt.

Future Marking Schemes

Assumptions about future marking schemes on the basis of past schemes should be avoided. While the underlying assessment principles remain the same, the details of the marking of a particular type of question may change in the context of the contribution of that question to the overall examination in a given year. The Chief Examiner in any given year has the responsibility to determine how best to ensure the fair and accurate assessment of candidates' work and to ensure consistency in the standard of the assessment from year to year. Accordingly, aspects of the structure, detail and application of the marking scheme for a particular examination are subject to change from one year to the next without notice.

**Coimisiún na Scrúduithe Stáit
State Examinations Commission**

**JUNIOR CERTIFICATE EXAMINATION
2016**

**SUPPORT NOTES
&
MARKING SCHEME**

BUSINESS STUDIES

ORDINARY LEVEL

SECTION A

(100 marks)

Answer all 20 questions. Each question carries 5 marks.

1. What do the following letters stand for? (*Write each answer in full in the space provided.*)

AGM	Annual General Meeting
DIRT	Deposit Interest Retention Tax

2. Pauline Galvin is the Petty Cashier at Kingdom Ltd. On 15 May 2016, she paid Sinead Brown €18.50 out of Petty Cash for posting a parcel. Enter this transaction in the Petty Cash Voucher below.

Kingdom Ltd	PETTY CASH VOUCHER No. 67	
	Date	15 May 2016
Details	Amount	
Paid Sinead Brown for posting a parcel	€	c
	18	50
Signature:	<i>Pauline Galvin</i>	

3. Fill in the **two** missing Ps of marketing in the spaces provided:

PRODUCT	PRICE	PROMOTION	PLACE
---------	-------	-----------	-------

4. A consumer who returns a faulty good that cannot be **repaired** is entitled to either:

(i) REFUND	OR	(ii) REPLACEMENT
-------------------	----	-------------------------

5. Complete the following sentence:

A ‘Shop Steward’ is the employees’ elected representative in a Trade Union and negotiates on their behalf with the employer.

6. Harry Nestor purchased groceries for **€155.30** at his local supermarket. He handed the shop assistant **four €50 notes** and received his change. The shop assistant used the least number of notes and coins possible when counting out Harry's change.

Complete the note/coin analysis showing how much change Harry received and how many notes and coins of each description were handed out to him.

NOTE/COIN ANALYSIS												
CHANGE	€50	€20	€10	€5	€2	€1	50c	20c	10c	5c	2c	1c
€44.70		2			2		1	1				

7. John Burns has decided to change from a sole trader to a **private limited company** called Burns Ltd. Name **two** advantages of making this change.

1. Limited liability
2. Continuity of existence
3. Extra capital available

8. Complete the following sentence:

A semi-state company is one which is owned by the **Government/State**.

The semi-state company responsible for rail travel in Ireland is called **Iarnród Éireann/Irish Rail**.

9. In **each** space provided below, write the correct insurance term for each explanation from the following list:

UTMOST GOOD FAITH PREMIUM ASSESSOR
 ACTUARY POLICY

(One of the terms above does not refer to any of the explanations below.)

	INSURANCE TERM	EXPLANATION
(i)	PREMIUM	The amount paid for insurance.
(ii)	ASSESSOR	The person who estimates the compensation to be paid.
(iii)	UTMOST GOOD FAITH	Must be truthful when seeking insurance.
(iv)	POLICY	The insurance contract.

10. Stephanie Roche is going to the Olympics in Rio, Brazil in August 2016. She was advised to bring US Dollars. She has saved €2,500 for the trip. She visits her local bank to exchange her euro for dollars. The current exchange rate is €1 = \$1.12.

Calculate the amount of US Dollars she will receive for €2,500.

Answer
\$2,800.00

Workings:
$2,500 \times 1.12 = 2800$

11. Place the following customers' surnames in alphabetical order:

JOHN KEANE THOMAS KEADY PAUL KEATING COLM KEANEY

(i)	Thomas Keady
(ii)	John Keane
(iii)	Colm Keaney
(iv)	Paul Keating

12. Place a tick (✓) after **each** statement showing whether it is TRUE or FALSE.

	TRUE	FALSE
Facebook, Twitter and Snapchat are forms of communication.	✓	
Ireland is a member of the European Union and the Eurozone.	✓	
Teachers work in the secondary sector of production.		✓

13. The following are meter readings taken from an Irish Water bill. Calculate the number of litres used **and** the total charge. Enter your answers in the appropriate spaces.

Water Meter Readings	
Present	763,940
Previous	687,940
No. of litres used	76,000
Rate per 1,000 litres	€1.85
Total Charge	€140.60

$763,940 - 687,940$
$= 76,000$
$76 \times 1.85 = 140.60$
Workings:

14. Place the following Business Documents in the order in which they are used:

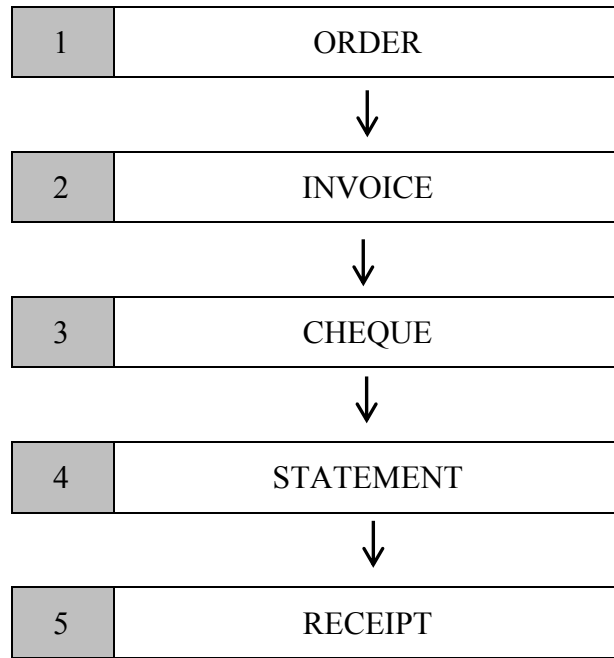
INVOICE

RECEIPT

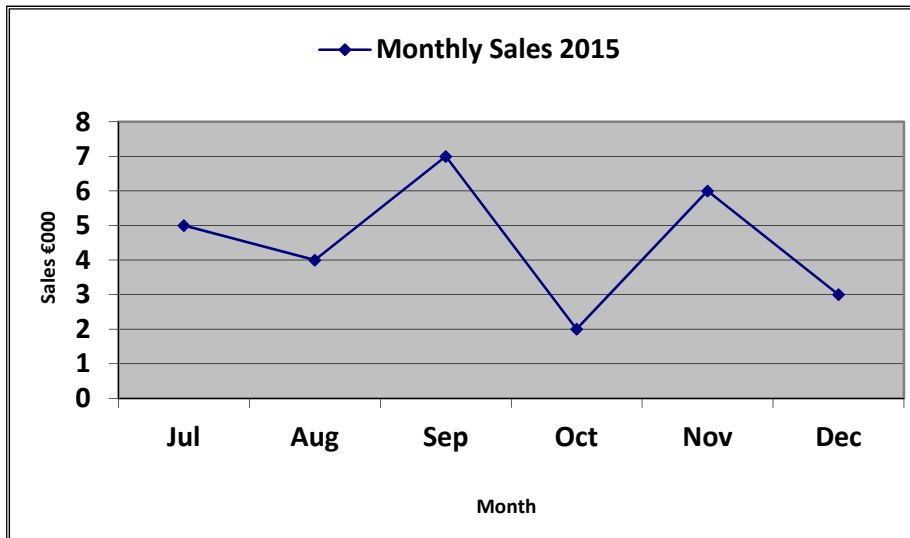
STATEMENT

CHEQUE

ORDER



15. The following line graph shows the monthly sales for Hall Ltd for the last six months of 2015:



Using the above graph, answer **each** of the following questions:

	Questions	Answers
(i)	Identify the month that had the highest sales.	September
(ii)	Identify the month that had the lowest sales.	October
(iii)	What was the Sales Total in November 2015?	€6,000

16. Answer either (A) or (B).

(A) Balance the following Bank Account and bring down the balance at the end of the month:


Bank Account							
Dr				Cr			
Date	Details	F	Total	Date	Details	F	Total
2016			€	2016			€
Apr 1	Balance	b/d	1,200	Apr 6	Rent	GL ₆	780
14	Cash Sales	GL ₃	9,900	25	Purchases	GL ₂	4,600
				30	Balance c/d		5,720
			11,100				11,100
Apr 30	Balance b/d		5,720				

OR

(B) Balance the following Cash Account by completing the last three lines of the 'Balance' column:

Bank Account					
Date	Details	F	Dr	Cr	Balance
2016			€	€	€
Apr 1	Balance	b/d			1,200
6	Rent	GL ₆		780	420
14	Cash Sales	GL ₃	9,900		10,320
25	Purchases	GL ₂		4,600	5,720

17. Complete the following cheque by filling in the missing details:

Date	5 May 2016	Bank of Ireland 92-39-57 HIGH STREET, CLONES, Co. MONAGHAN	Date	5 May 2016
To	Kay Barry			
Balance	€525.00	Pay Kay Barry		
This Cheque	€76.50	Seventy six euro, 50		€76.50
New Balance	€448.50			THOMAS KENNY
				Thomas Kenny
0013622		0013622 923957 26691384		

18. **Column 1** shows a list of economic terms. **Column 2** is a list of possible explanations for these terms. (One explanation does not refer to any of the terms.)

Column 1 – Terms	Column 2 – Explanations
1. Inflation	A. Something done without when something else is chosen
2. Opportunity Cost	B. Buying on the spur of the moment
3. Scarcity	C. A rise in the general level of prices in a year
	D. When demand for a product is greater than the supply

Match the two lists by placing the letter of the correct explanation under the relevant number below:

1.	2.	3.
C	A	D

19. If you buy goods on Hire Purchase, you become the owner after

you have paid the deposit

you have paid the last instalment

you have brought the goods home

(Tick (✓) the correct box).

20. The following figures are from the books of Casey Ltd:

Bank Overdraft	€5,000	Machinery	€63,500
Reserves	€34,000	Issued Share Capital	€250,000

Enter **and** total the 'Financed by' section in the following extract from the Balance Sheet of Casey Ltd as at 31 December 2015:

Extract from Balance Sheet of Casey Ltd as at 31-12-2015	
Financed by:	€
Issued Share Capital	250,000
Reserves	34,000
TOTAL CAPITAL EMPLOYED	284,000

SECTION B

Question 1

(A) NOONE HOUSEHOLD	SEPT	OCT	NOV	DEC	TOTAL	Marks
PLANNED INCOME	€	€	€	€	€	
Peter Noone - salary	3,400	3,400	3,050	3,050	12,900	20 × ½
Aoife Noone - salary	1,900	2,060	2,060	2,060	8,080	
Child benefit	405	405	405	405	1,620	
A. TOTAL INCOME	5,705	5,865	5,515	5,515	22,600	<i>(10)</i>
PLANNED EXPENDITURE						
<i>Fixed</i>						
House Mortgage	630	705	705	705	2,745	20 × ½
House Insurance	80	80	95	95	350	
Health Insurance	240	240	240	240	960	
Subtotal	950	1,025	1,040	1,040	4,055	<i>(10)</i>
<i>Irregular</i>						
Household costs	2,100	2,100	2,100	1,900	8,200	27 × ½
Telephone costs	290	110	270	110	780	
Light and Heat		240	670	300	1,210	
Car running costs	480	480	780	480	2,220	
Education costs	700			500	1,200	
Subtotal	3,570	2,930	3,820	3,290	13,610	<i>(13½)</i>
<i>Discretionary</i>						
Presents		240		770	1,010	16 × ½
Entertainment costs	180	180	180	280	820	
Holiday costs	1,000		2,000		3,000	
Subtotal	1,180	420	2,180	1,050	4,830	<i>(8)</i>
B. TOTAL EXPENDITURE	5,700	4,375	7,040	5,380	22,495	2½
Net Cash (A-B)	5	1,490	-1,525	135	105	2½
Opening Cash	300	305	1,795	270	300	2½
Closing Cash	305	1,795	270	405	405	
				1 mark – both must be the same and correct		<i>(8½)</i>
1. (B)	Calculate the annual child benefit for the Noone household.					<i>(5)</i>
	Answer: €4,860 $12 \times 405 = 4,860$					
1. (C)	If the Noone household had to take out a one-year loan at 9% per annum to purchase the iPads, calculate the total cost of the iPads.					<i>(5)</i>
	Answer: €763 $700 \times 9\% = 63$ $700 + 63 = 763$					
Q.1 Total					(60)	

Question 2 (A) (i) and (ii)

Trading, Profit and Loss Appropriation Account of Turbo Ltd for the year ended 31 Dec 2015				
		€	€	€
	Sales			480,000
	Cost of Sales			
	Opening Stock		34,150	
	Purchases		285,000	
	Carriage Inwards		3,170	
	Cost of goods available for sale		322,320	
	Closing Stock		58,320	264,000
	Gross Profit [1]			216,000
	Less Expenditure			
	Wages		69,120	
	Advertising		2,650	
	Insurance		3,100	
	Light and Heat		4,700	
	Telephone		5,610	85,180
	Net Profit [1]			130,820
	Less Dividends			16,000
	Reserves			114,820
Balance Sheet of Turbo Ltd as at 31 Dec 2015				
	Fixed Assets [2]	Cost	Dep	NBV
	Premises			200,000
	Machinery			130,000
	Motor Vehicles			75,000
				405,000
	Current Assets [2]			
	Closing Stock	58,320		
	Cash in Hand	8,500	66,820	
	Less Current Liabilities [2]			
	Bank Overdraft		37,000	
	Working Capital			29,820
	TOTAL NET ASSETS			434,820
	FINANCED BY [2]			
	Ordinary Share Capital:	Authorised	Issued	
		450,000	320,000	
	Reserves		114,820	
	CAPITAL EMPLOYED			434,820

All Figures 1m except for those shown

[2] (10)

[2]

(11)

[2]

(8)

(16)

(B)	(i) Explain the term ‘Cash in Hand’ in the Trial Balance.	5
	<p>Cash in hand means the actual amount of money/cash that Turbo Ltd has available on its premises on a certain date (in this case they have €8,500 available). The cash can be used for purchases, to pay wages or to give change to customers. It is a current asset belonging to the company.</p>	

	(ii) Calculate the gross profit as a percentage of cash sales using the formula provided. Show answer and workings.	$\frac{\text{Gross Profit}}{\text{Cash Sales}} \times \frac{100}{1}$	10
	<p>Answer: 45 %</p>	<p>Workings</p> $\frac{216,000}{480,000} \times \frac{100}{1} = \frac{216}{480} \times \frac{100}{1} = \frac{450}{10} = \frac{45}{1}$	

(15)

Q.2 Total

(60)

Question 3

(A)	<p>Write the letter that Paulette O’Connell sent to Joan Cooney on 14 June 2016.</p> <table border="1" data-bbox="300 206 1249 264"> <tr> <td>Layout 13</td> <td>Content 20</td> <td>English 4</td> <td>Neatness/presentation 3</td> </tr> </table>	Layout 13	Content 20	English 4	Neatness/presentation 3	
Layout 13	Content 20	English 4	Neatness/presentation 3			
	<p>5 Thomond Park Limerick 14 June 2016</p> <p>Joan Cooney Lake Side View Cavan</p> <p style="text-align: center;">Re: Your Request for Advice</p> <p>Dear Joan</p> <p>Thank you for asking me for advice on your work at BOD Rugby Club.</p> <p>I have set out a few examples on how you can increase membership and raise finance for the club.</p> <p>Membership can be increased by:</p> <ul style="list-style-type: none"> • Sending out invitations to ladies in businesses and schools in the Cavan area asking them to come to a meeting in your club house. • Hold an open day in you club and I will ask some of the players on the Men’s and Ladies Irish International teams to attend. <p>Finance can be raised for completing the new clubhouse, providing a training pitch and purchasing a minibus from some of the following:</p> <ul style="list-style-type: none"> • Taking out a Long Term Loan for the club house and new pitch • National Lottery Grants • Selling off any land that may not be needed • Levy on members • Donations <p>I would like to meet you 2.30 pm on 21 June 2016 at my Limerick office to talk about the club’s aims.</p> <p>Hoping to see you then.</p> <p>Yours faithfully</p> <p>Paulette O’Connell Financial Consultant</p>	<p>[2]</p> <p>[2]</p> <p>[2]</p> <p>[1]</p> <p>[2]</p> <p>[5]</p> <p>[5]</p> <p>[5]</p> <p>[5]</p> <p>[5]</p> <p>[2]</p> <p>[2]</p>				
	<p>English [4] Neatness presentation [3]</p>	<p>(40)</p>				

Question 3 (continued)

(B)	Explain two duties of a club treasurer.	2 × 5
	<ul style="list-style-type: none">• To collect members' subscriptions and issue receipts.• To lodge all money received to the club's bank account.• To pay all bills for the club.• To record all the club's receipts and payments.• To prepare final accounts and balance sheet.• To report on the club's finances at the AGM.	
		<i>(10)</i>

(C)	State two examples of assets that a club might have.	2 × 5
	<ul style="list-style-type: none">• Clubhouse• Grounds/pitches• Mini-bus• Cash• Stock of jerseys	
		<i>(10)</i>
	<i>Q.3 Total</i>	<i>(60)</i>

Question 4

(A)	(i)	In what bank and branch does Eamon have his account?		
		Bank: AIB Bank	3	
		Branch: Main Street, Roscommon	3	
	(ii)	Is Eamon's bank account a deposit account or current account? Give one reason for your answer.		3
		Answer: Current Account		
		Reason: Eamon uses it for transferring money by cheques, direct debits, credit transfers and debit cards (Visa Debit). It is not for savings.		6
	(iii)	According to AIB Bank, how much money does Eamon have in his account on 31 May 2016?		
		Answer: €1,397.00		3
	(iv)	Explain the entry of 23 May 2016.		
		Answer: On 23 May 2016, Eamon withdrew €150 in cash from his Current Account through the Automated Teller Machine at the Athlone Branch of AIB.		6
(v)	Explain the term 'Paypath'.			
	Answer: Paypath is a system where an employer pays an employee's wages into the employee's bank account electronically. On 3 May 2016, Eamon's monthly salary of €1,862 was paid electronically into his Current Account.		6	
			(30)	
(B)	Calculate the total interest Eamon will have to pay on his car loan. Show your workings.			
	Answer: €4,680	Workings: 48 payments of €410 = €19,680 Car cost = €15,000 19,680 – 15,000 = 4,680 = interest	Answer 4 Workings 6	
			(10)	

(C) Complete the Loan Application Form on today's date.

LOAN APPLICATION FORM						
PERSONAL DETAILS						
Name	Eamon Rice	Mr, Mrs, Ms.	Mr		2	
Address	25 Highfield Road Roscommon				1	
Telephone	086 5566992	AIB Bank			1	
Date Of Birth	17 July 1984				2	
EMPLOYMENT DETAILS						
Occupation	Assessor				1	
Employer's Name & Address	Flynn Insurance Ltd Long Road Roscommon				1	
	Net Salary Per Month	€1,862			1	
	No. of Years In Your Present Employment	8 years			1	
LOAN REQUIRED						
Amount	€15,000				1	
Purpose	To buy a car				1	
	How long do you want the loan for?	4 years			1	
	How much can you repay each month?	€410			1	
Details of other existing loans						
Lender	Roscommon Credit Union	Amount	€3,000	Annual Repayments	€1,140	4
SIGNATURE	<i>Eamon Rice</i>		DATE	14 June 2016		2
					(20)	
					<i>Q.4 Total</i>	(60)

Question 5

(A)	(i) Name two pieces of information in a Quotation that helped Molly to make her decision to buy from ROG Equipment Ltd.	[2 × 1]
	Cost per unit Rate of trade discount Carriage - free of charge or paid by customer, methods of payment	

(ii) Complete the Order:

Garden Supplies Ltd				ORDER No. 201						
Ennis										
Co. Clare										
Telephone: 065 684432										
Fax: 065 684435			VAT Reg. No. IE8896543							
e-mail: garden@ennis.ie			Date: 25 May 2016							
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="padding: 5px;">Roger O’Gara,</td></tr> <tr><td style="padding: 5px;">Manager,</td></tr> <tr><td style="padding: 5px;">ROG Equipment Ltd</td></tr> <tr><td style="padding: 5px;">Salthill Industrial Estate</td></tr> <tr><td style="padding: 5px;">Galway</td></tr> </table>				Roger O’Gara,	Manager,	ROG Equipment Ltd	Salthill Industrial Estate	Galway	1 + 1	
Roger O’Gara,										
Manager,										
ROG Equipment Ltd										
Salthill Industrial Estate										
Galway										
Please supply the following goods:										
QUANTITY	DESCRIPTION	MODEL No.	PRICE EACH €							
40	Green Plastic Wheelbarrows	GPW13	135.00	1 + 1 + 1 + 1						
20	Ash Garden Seats	PGS 48	90.00	1 + 1 + 1 + 1						
100	Darby Garden Forks	DGF 02	30.00	1 + 1 + 1 + 1						
30	Ash Garden Trellis	AGT 32	40.00	1 + 1 + 1 + 1						
Signed: Molly Malone		Title: Purchasing Manager		1						
<i>(21)</i>										

(B) Complete the Invoice:

ROG Equipment Ltd Salthill Industrial Estate, Galway					INVOICE No. 977	
Telephone: 091-456375 Fax: 091-456376 e-mail: rogequip@gmail.com			VAT Reg. No. IE5546732			
					Date: 30 May 2016	2
					Your Order No.: 201	1
Purchasing Manager Garden Supplies Ltd Ennis Co. Clare						2
QUANTITY	DESCRIPTION	MODEL No.	PRICE EACH €	TOTAL €		
40	Green Plastic Wheelbarrows	GPW13	135	5,400	5	
20	Ash Garden Seats	AGS 48	90	1,800	5	
100	Darby Garden Forks	DGF 02	30	3,000	5	
				Total (Excluding VAT)	10,200	2
				Trade Discount	1,530	2
Carriage Paid E & O E				Subtotal	8,670	2
				VAT	1,734	2
				Total (Including VAT)	10,404	2
						(30)

(C) Enter the receipt from Garden Supplies Ltd in the Bank Account of ROG Equipment Ltd:

Dr ROG Equipment Ltd – Bank Account Cr							
2016	Details	F	€	2016	Details	F	€
June 5	Garden Supplies Ltd	ACB	10,404				
3	3		3				

OR

ROG Equipment Ltd – Bank Account						
Date	Details	F	Dr	Cr	Balance	
2016			€	€	€	
June 5	Garden Supplies Ltd	ACB	10,404			
3	3		3		(9)	
					<i>Q.5 Total</i>	(60)

Question 6

(A)	The Bank told Mary that cheques would not be in use after 1 August 2016. Mary does not want to keep cash in her house in case it is stolen	
	(i) State two ways by which Mary could keep her cash secure.	[2 × 3]
	Deposit Account in Bank Credit Union savings account An Post – national instalment savings	
	(ii) Mary will not be able to pay her farm bills by cash. List one method by which Mary could pay her farm bills in future.	[3]
Answer: ATM Debit Card Credit Card Direct Debit Standing Order Credit Transfer Online banking		
		(9)

Question 6 (continued)

(B)

Analysed Receipts and Payments Account (Analysed Cash Book) of Mary Moran, Farmer

Dr							Cr							
Date	Details	Rec No.	Bank	Livestock	BPS	Other	Date	Details	Cheque No.	Bank	Livestock	Repairs	Feed	Other
2016			€	€	€	€	2016			€	€	€	€	€
Apr. 1	Balance b/d		2,750				Apr. 5	Livestock feed	323	3,050			3,050	
4	Livestock sales	53	13,700	13,700			8	Machinery repairs	324	2,350		2,350		
11	Milk cheque	54	4,600			4,600	13	Clerical work	325	1,400				1,400
15	EU payment (BPS)	55	9,000		9,000		18	Livestock feed	326	5,200			5,200	
19	Livestock sales	56	6,500	6,500			25	Livestock	327	7,500	7,500			
22	Old machinery	57	1,800			1,800	28	Repairs to barn	328	4,900		4,900		
							29	Fertiliser	329	650				650
							30	Balance c/d		13,300				
			38,350	20,200	9,000	6,400				38,350	7,500	7,250	8,250	2,050
Apr 30	Balance c/d		13,300											
25 figures @ 1 mark each						25	2 Balances @ 2 marks each						4	
7 analysis headings @ 1 mark each						7	Neatness						1	
Date, Details, Rec. No. Cheque No. 6 @ 1 mark each						6								

(43)

(C)	Mary Moran is interested in purchasing a computer. Explain two uses that Mary could make of the computer to help her manage the farm.	[2 × 4]
	Communication: <i>Contacting other businesses, farmers, government departments by email.</i>	
	Research: <i>Finding out about new methods of farming by using the internet.</i>	
	Keeping Accounts: <i>Recording all receipts and expenditure and preparing a farm budget/online banking</i>	(8)
<i>Q.6 Total</i>		(60)

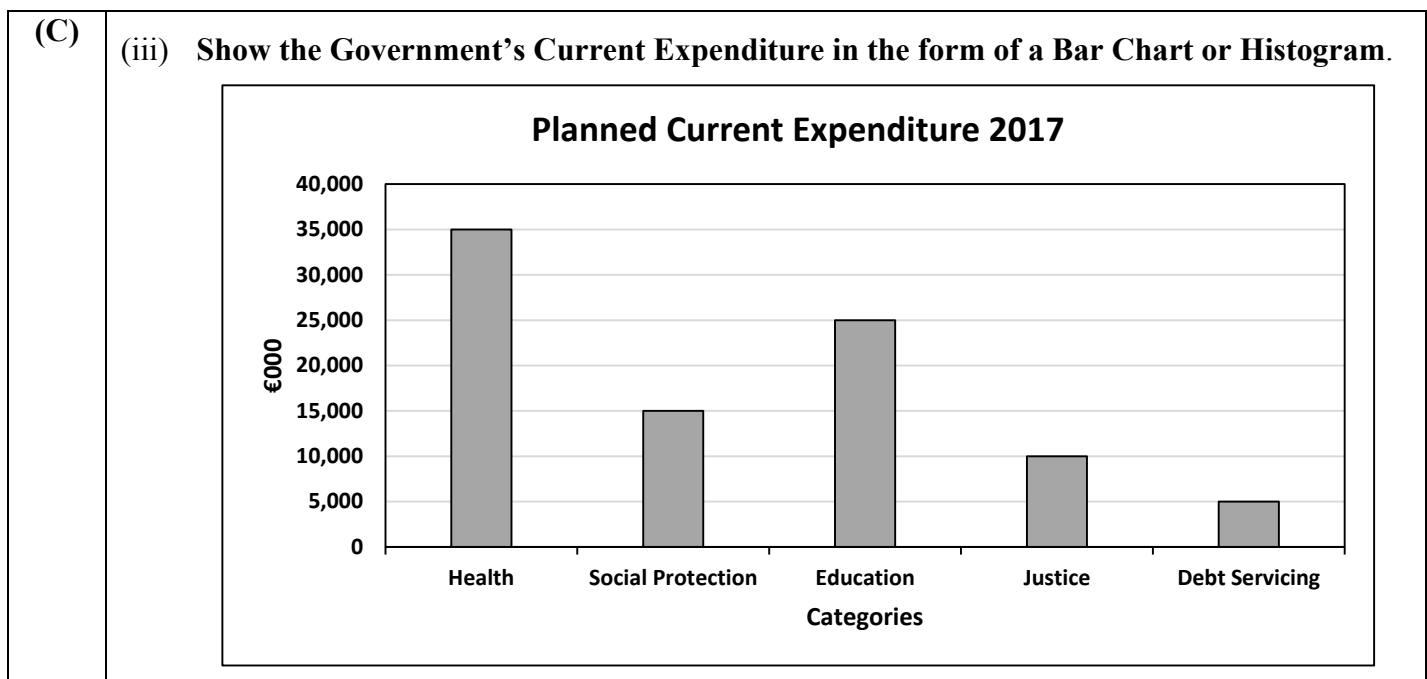
Question 7

(A)	(i)	The four factors of production are land, labour, capital and enterprise. State the rewards or payments for each factor of production.		
		The reward for land is:	Rent	2
		The reward for labour is:	Wages	2
		The reward for capital is:	Interest	2
		The reward for enterprise is:	Profit (or Loss)	2
	(ii)	Explain two of the factors of production.		2 × 5
		Land: All things supplied by nature which help in the production of goods and services.		
		Labour: All the people who are available for work, who help in the production of goods and services.		
		Capital: All the things made by people which help in the production of goods and services, e.g., buildings, machinery.		
		Enterprise: This brings together and organises land, labour and capital to produce goods and services in the hope of making a profit. This factor, represented by the entrepreneur, could also make a loss.		
			<i>(18)</i>	
(B)	(i)	Which Government Department prepares the National Budget?		
		Answer: Department of Finance	3	
	(ii)	Give one reason why the Government prepares a National Budget.		
		Answer: The government has to plan for the future to set out what it needs to spend and how it intends to obtain the money needed.		5
	(iii)	Give one example of Government current expenditure on Education.		
		Answer: Salaries of teachers		2
	(iv)	Give one example of Government capital expenditure on Education.		
		Answer: Building of new schools		2
Purchase of school furniture and equipment.				
			<i>(12)</i>	

- (C) (i) Using all the information given, prepare the National Budget for the year 2017.
(ii) Indicate whether it is a 'surplus' or a 'deficit' budget.

(i)	National Budget for the year 2017			
		€000	€000	
	INCOME			5
	PAYE	28,000		
	PRSI and USC	12,000		
	VAT	21,000		
	Corporation Tax	16,000		
	Other Income	3,000	80,000	
	EXPENDITURE			
	Health	35,000		
	Social Protection	15,000		
	Education	25,000		
	Justice	10,000		
	Debt Servicing	5,000	90,000	
(ii)	DEFICIT		- 10,000	2

(12)



Title of Chart	1 mark	
Vertical Axis correctly labelled	1 mark	
Horizontal Axis correctly labelled	1 mark	
Bars	[2 + 1] × 5	15 marks
		(18)
		<i>Q.7 Total</i>
		(60)

Question 8

(A)	(i)	Calculate how long the flight from Shannon to Rome takes for each of the airlines. Show your answers and workings.																																		
		Dine Air	Alpha Airlines	2 × 5																																
		Workings: 09.30 – 06.40 = 02.50	Workings: 10.05 – 07.20 = 02.45																																	
		Answer – Dine Air flight:	Answer – Alpha Airlines flight:																																	
		2 Hours 50 Minutes	2 Hours 45 Minutes																																	
	(ii)	Explain two advantages and two disadvantages of using air transport.																																		
		Advantages:		2 × 5																																
		<ul style="list-style-type: none"> • Fastest method of transport over reasonable and long distances • Many flights per day between major cities • Suitable for small, valuable goods such as computer parts or diamonds • Nearly always runs to schedule so less chance of missing appointments • Good safety record • Comparatively cheap, especially if booked in advance • Suitable for perishable goods. 																																		
		Disadvantages:		2 × 5																																
		<ul style="list-style-type: none"> • Not suitable for heavy or bulky goods • Expensive if not booked well in advance • Another form of transport is necessary to get from airport to destination • Severe weather conditions may cause delays • Flying schedules are not flexible. 																																		
			<i>(30)</i>																																	
(B)	(i)	Calculate the total cost of the flight for Martin with each of the airlines. Show your answers and workings.																																		
		Dine Air	Alpha Airlines																																	
		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">€</th> </tr> </thead> <tbody> <tr> <td>Fare</td> <td style="text-align: right;">35.00</td> </tr> <tr> <td>Airport taxes</td> <td style="text-align: right;">48.50</td> </tr> <tr> <td>Booking charge</td> <td style="text-align: right;">2.50</td> </tr> <tr> <td>Reserved seat</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>Online check-in fee</td> <td style="text-align: right;">5.00</td> </tr> <tr> <td>Bag check-in charge</td> <td style="text-align: right;">30.00</td> </tr> <tr> <td>Dine Air Total Cost</td> <td style="text-align: right;">€121.00</td> </tr> </tbody> </table>		€	Fare	35.00	Airport taxes	48.50	Booking charge	2.50	Reserved seat	0.00	Online check-in fee	5.00	Bag check-in charge	30.00	Dine Air Total Cost	€121.00	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">€</th> </tr> </thead> <tbody> <tr> <td>Fare</td> <td style="text-align: right;">82.00</td> </tr> <tr> <td>Airport taxes</td> <td style="text-align: right;">16.50</td> </tr> <tr> <td>Booking charge</td> <td style="text-align: right;">7.00</td> </tr> <tr> <td>Reserved seat</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>Online check-in fee</td> <td style="text-align: right;">12.50</td> </tr> <tr> <td>Bag check-in charge</td> <td style="text-align: right;">10.00</td> </tr> <tr> <td>Alpha Airlines Total Cost</td> <td style="text-align: right;">€128.00</td> </tr> </tbody> </table>		€	Fare	82.00	Airport taxes	16.50	Booking charge	7.00	Reserved seat	0.00	Online check-in fee	12.50	Bag check-in charge	10.00	Alpha Airlines Total Cost	€128.00	2 × 7
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(B)	(ii)	On the basis of cost, which airline would you recommend Martin to fly with?	
		Answer: Dine Air	4
			<i>(18)</i>

(C)	<p>In each space provided below, write the correct term for each explanation from the following list:</p> <p style="text-align: center;">QUESTIONNAIRE MARKET SPECIAL OFFER BRANDING TEST MARKETING</p> <p style="text-align: center;"><i>(One of the terms above does not refer to any of the explanations below.)</i></p>			
		EXPLANATION	TERM	
	(i)	The use of a name or logo to identify products and make them well known.	BRANDING	3
	(ii)	A list of prepared questions which consumers are asked as part of a survey.	QUESTIONNAIRE	3
	(iii)	Trying out a new product on a small number of consumers.	TEST MARKETING	3
(iv)	Giving extra value for money, like three for the price of two.	SPECIAL OFFER	3	
			<i>(12)</i>	
<i>Q.8 Total</i>			(60)	