



Coimisiún na Scrúduithe Stáit State Examinations Commission

JUNIOR CERTIFICATE EXAMINATION, 2003

BUSINESS STUDIES – HIGHER LEVEL – PAPER I SECTION B (160 Marks)

WEDNESDAY 11th JUNE 2003 – MORNING, 9.30 to 12.00

All questions carry equal marks. Attempt any **FOUR** questions.
Marks will be awarded for layout and presentation including, where appropriate, Folios and dates showing the day, month and year. Calculators may be used.

1. **Answer A and B. This is a Household Budget Question**

A. At the end of Section A, is a partially completed personal Budget form for the Plunket family for 2003. You are required to complete this form by filling in the figures for the “Estimate April to December” column, and the “Total for year” column. The following information should be taken in account.

- Joseph expects to earn an extra €120 in overtime in October and November and will get a holiday bonus of €400 in June 2003.
- Máire is going job sharing from October 1st and this will result in a 40% reduction in her salary from that date.
- Child benefit will increase to €110 per month from July 1st 2003.
- The house mortgage will be paid off in full following the September payment.
- Car insurance is payable monthly and from September 1st will increase to €50 per month.
- Household expenses will remain at the same level until the end of September and will increase by 10% beginning in October 2003.
- Car running costs are expected to remain at €90 a month with an additional cost of €160 in July for new tyres and a car service cost €130 in November 2003.
- ESB for the 12 months Jan.-Dec. 2003 is estimated at €680.
- The telephone is paid every second month and it is estimated that the cost will remain at the same level as at the beginning of the year.
- A wedding present in May is expected to cost €130 and Christmas presents to cost €280 in December.
- Entertainment will average at €180 per month for the remaining 9 months of the year.
- A family holiday in July is expected to cost €1,500.

(30)

B. Answer the following questions in the space provided at the end of Section A, page 8.

(i) From the **first three months of the year**, name any month in which they had to borrow and the amount borrowed. (4)

(ii) Name **two** reasons why a household might make a claim under their house insurance policy. (6)

(40 marks)

2.

Answer ALL sections. This is a Banking and Question.

A. John Lyons recently secured permanent employment and is considering opening a bank account. He was advised that a current account would suit his requirements best.

(i) Name **two** advantages of having a current account in the bank. (4)

(ii) List **three** methods of withdrawing money from a current account. (6)

(iii) Explain what is meant by the term “stale cheque”. (2)

(iv) If your friend had a stale cheque what advice would you give? (3)

B. When opening a bank account, new customers are obliged to produce proof of identification.

(i) Name **two** documents which John could show as proof of his identity. (6)

C. Name **three** conditions that John must meet before being allowed to overdraw his account. (9)

D. John Lyons, Deepark Road, Sligo has a current account No. 76815534 at the Allied Irish Bank, Sligo. On 1st June 2003 John withdrew €400 from his account.

Assume you are John Lyons; complete the withdrawal form, using the blank document supplied at the end of Section A, page 9, from the information supplied above.

(10)
(40 marks)

3. **Answer ALL sections. This is a Club Account Question.**

Eastern Waves Surfing Club records small cash payments in a Petty Cash Book which is kept on an imprest system. The imprest is restored on the first day of each month.

The following transactions occurred during the month of May 2003.

2003		Voucher No.	€
May 1	Balance in Hand		40
May 1	Received cash from Chief Cashier to restore imprest		260
May 3	Bought cleaning materials	1	38
May 4	Paid for a meal for visitors	2	41
May 6	Purchased postage stamps	3	7
May 8	Paid for copying paper	4	15
May 16	Paid "First Track" to deliver parcel	5	24
May 23	Paid cleaners wages	6	75
May 24	Gave donation to local charity	7	40
May 28	Purchased Staples & sellotape	8	23
May 29	Bought flowers for the office	9	12

- A. Complete and balance the Petty Cash Book for the month of May 2003. Restore the imprest. Use the following analysis columns: Postage, Stationery, Cleaning, Other Expenses. **(23)**
- B. Show the posting of the totals of the analysis columns to their accounts in the ledger. Use the accounts supplied at the end of Section A page 9. **(8)**
- C. Answer the following questions in the space provided at the end of Section A. Page 9.
- (i) What imprest does the Petty Cashier have for the month? **(3)**
- (ii) Explain what is meant by the imprest system and give **one** advantage of using it. **(6)**
(40 marks)

4. **Answer ALL sections. This is a question on International Trade and Balance of Payments.**

International trade is essential for the well being and success of the Irish Economy.

- A. (i) With which country does Ireland do most of its trade? (3)
- (ii) Give **one** benefit of imports to the Irish consumer. (3)
- (iii) State **one** reason why exporting is very important for the success of the Irish economy? (3)
- (iv) State **one** difficulty which an Irish firm would experience when exporting goods. (3)

B. International trade is both visible and invisible.

- (i) Give **two** examples of Ireland's invisible imports. (6)

C. The following data relates to the international trade of a country called Agohin for the year 2002.

	€
Visible Exports	9 Billion
Invisible Exports	18 Billion
Visible Imports	13 Billion
Invisible Imports	6 Billion

Calculate the following trade figures in relation to Agohin and state whether they are a surplus or a deficit. **Show your workings.**

- (i) Balance of Trade.
- (ii) Balance of Payments (12)

D. An Irish importer was quoted stg£18,600 for a new car by an English garage. Your local bank had the following information on a display board in the bank.

	Bank Sells	Bank Buys
Sterling	61.71	62.34

- (i) Calculate the cost of the car in Euro. (6)
- (ii) State **one** suitable way for the Irish importer to pay the English garage. (4)
- (40 marks)**

5.

Answer ALL sections. This is a Consumer Advice Question.

- A. (i) Name **one** T.V. or Radio programme and **one** newspaper or magazine article which offers advice to consumers on goods, services and financial matters. (6)
- (ii) Identify **two** actions of a good consumer. (6)
- B. Your local radio station invited you on to a panel to advise listeners with their consumer problems. What advice would you give on the following:
- Caller No. 1 to the programme had a house valued at €140,000 and insured it for €100,000. A fire damaged the house costing €56,000 to repair it. The caller wants to know what compensation would be offered and why.
- (i) Calculate the correct amount of compensation which the caller should receive. (3)
- (ii) Name, for the caller, the insurance clause involved in this case. (3)
- C. Caller No. 2 purchased an electric kettle in her local electrical shop for €80 and paid by cheque. When used, the kettle automatically switched off before the water was fully boiled. Sarah complained to the shop owner the day after purchase but he refused to deal with the problem and advised her to contact the manufacturer.
- (i) What is Sarah entitled to in this situation? Give **one** reason for your answer. (6)
- (ii) What course of action should she follow to get an early resolution to her problem. (3)
- D. Caller No. 3 was considering borrowing €12,000 for three years and willing to repay €4,000 off the loan, plus any interest due, at the end of each year.
- Celtic Finance offered the money at a flat rate of 8% per annum.
- Hibernian Finance offered the money at 10% A.P.R./True Rate.
- (i) Calculate the total interest on the loan if borrowed from Celtic Finance.
- (ii) Calculate the total interest on the loan if borrowed from Hibernian Finance. (13)
- (40 marks)**

6.

Answer ALL sections. This is a question on People at Work and Letter Writing

The following advertisement appeared in a recent newspaper:

SWIFT ELECTRONICS	
Required:	Electronic Technician to join our maintenance team
Qualifications:	Electronic Engineering qualification Two years work experience
Candidate:	He/she should be hard working, self-motivating with good communication skills
Apply to:	Human Resource Manager Swift Electronics Fermoy Co. Cork
Closing Date:	1 st June 2003
SWIFT ELECTRONICS is an equal opportunities employer	

John Murray is 25 years of age and lives at 6, Laurel Drive, Tramore, Co. Waterford. He studied electronics at the Waterford Institute of Technology from 1997 to 2000 and graduated with an Honours Diploma in Electronic Engineering. For the past three years he has worked at Instomtec Ltd., Carlow, as a technician.

- A. (i) You, as John Murray write a letter dated 22nd May, 2003, applying for the position giving all relevant personal details and stating that you are available for interview. (6)
- (ii) Name **two** sources of information on job vacancies other than the newspaper. (6)
- (iii) Name **two** people whom John Murray could give as suitable referees if required. (6)
- (iv) Name **two** requirements for the job. (6)
- B. John's application for the job was successful and he will earn €28,000 gross per annum. The tax rate is 20 cent in the Euro. His tax credits are €2,480.
- (i) Calculate his tax bill for the year. (6)
- (40 marks)**

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