

**WARNING**

You must return this section with your answer book at the end of the examination, otherwise marks will be lost.

Candidate's Examination Number



# Coimisiún na Scrúduithe Stáit State Examinations Commission

JUNIOR CERTIFICATE EXAMINATION, 2005

## BUSINESS STUDIES – ORDINARY LEVEL SECTION A (100 Marks)

WEDNESDAY, 15 JUNE 2005 – MORNING, 9.30 - 12.00

Answer all 20 questions. Each question carries 5 marks. Calculators may be used.

1. What do the following letters stand for?

(Write *each* answer in full in the space provided)

A.T.M.	
V.A.T.	

2. Indicate which of the following countries are in the European Union by ticking (✓) YES or NO in each case:

	YES	NO
BELGIUM		
AUSTRIA		
AUSTRALIA		

3. Which **one** of the following is a **Visible Import** for Ireland?  
(Tick (✓) the most appropriate box).

American tourists coming here on holidays

An Irish hotel buying French wine

Irish potatoes sold to Germany

4. **Column 1** is a list of insurance principles. **Column 2** is a list of explanations. Match the two lists by placing the letter of the correct explanation under the relevant number below. (*One explanation does not refer to any of the principles*).

Column 1	Column 2
1. Indemnity	A. You must state all material facts on the proposal form
2. Utmost Good Faith	B. You may not profit from insurance
3. Insurable Interest	C. You must trust your insurance company
	D. You must benefit by its existence and suffer by its loss

1	2	3

5. Complete each sentence below using the most appropriate word from the following list:

EMPLOYMENT; MORTGAGE; BRANDING; PAYPATH; OVERTIME

(*Two of the words do not match any sentence*)

- (a) A long-term loan to purchase a house is called a \_\_\_\_\_.
- (b) Paying wages directly to an employee's bank account is called \_\_\_\_\_.
- (c) Working for payment is called \_\_\_\_\_.

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

	TRUE	FALSE
(a) A Trade Union is an organisation which aims to protect employees.		
(b) A Credit Union is an organisation which aims to protect employees.		

7. **Gross Pay** is

Take home pay

Total tax paid

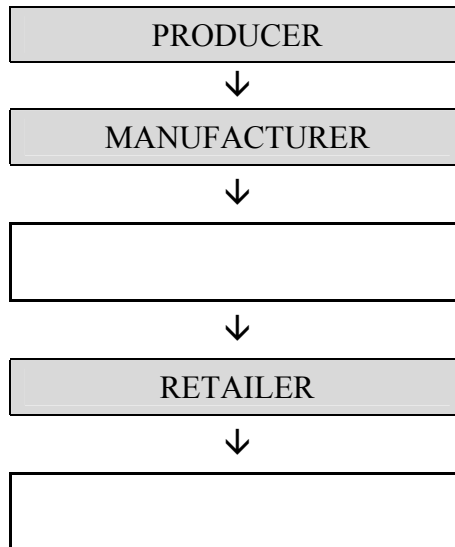
Total wages earned

(Tick (✓) the most appropriate box).

8. Fill in the **two** missing Factors of Production in the spaces provided.

	LABOUR	CAPITAL	
--	--------	---------	--

9. Fill in the **two** blank spaces in the following Chain of Distribution:



10. Paul Ryan has a Current Account in the Ulster Bank, Cork. On 10 June 2005, he paid a cheque of €500.00 to Lee Leisure Ltd. *(Write the correct word from the following list in the space provided).*

DRAWER;                      DRAWEE;                      PAYEE.

Lee Leisure Ltd is the \_\_\_\_\_ of that cheque.

11. **Inflation** is

A fall in the general level of prices

A rise in the general level of prices

No change in the general level of prices

(Tick (✓) the most appropriate box).

12. Name the currency which is **legal tender** in each country below.

Country	Currency
FRANCE	
USA	

13. State **two** duties of a club **Treasurer**.

1.

---

2.

---

14. Mary McDonnell, who lives in Athlone, has ordered a camera from a firm in England. It costs £180.00 (Sterling) plus a £21.50 delivery charge. The current exchange rate is €1 = £0.65.

Calculate the total cost of the camera for Mary in euro.

<b>Answer:</b>
€

Workings:

15. Are shops allowed to display the following notices under Irish consumer law?

Tick (✓) the appropriate box in each case.

	ALLOWED	NOT ALLOWED
(a) Closed Every Monday		
(b) No Refunds		
(c) No Cheques Accepted		

16. The document which provides proof of payment is called a \_\_\_\_\_.

Fill in the missing word.

17. State **two** of the four Ps of Marketing.

1.		2.	
----	--	----	--

18. State **one** example of **each** of the following methods of communication:

(a) Oral Communication	
(b) Written Communication	
(c) Visual Communication	

19. The following figures are from the accounts of Burke Ltd for the year ending 31 December 2004:

**Buildings €180,000 Cash on Hand €4,000 Machinery €50,000 Closing Stock €12,000**

From the above figures, calculate the total **Current Assets** of Burke Ltd.

<b>Answer:</b>
€

Workings:

20. Answer *either* (A) or (B):

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

Dr				Bank Account				Cr
Date	Details	F	Total	Date	Details	F	Total	
2005			€	2005			€	
Feb 1	Balance	b/d	1,250	Feb 4	Rent	GL4	950	
2	Sales	GL1	3,250	17	Purchases	GL5	2,500	
22	Sales	GL1	2,000	25	Advertising	GL7	1,700	
				28	Balance c/d			

OR

(B) Complete the last five lines of the “Balance” column in the following Bank Account:

Bank Account						
Date	Details	F	Dr	Cr	Balance	
2005			€	€	€	
Feb 1	Balance	b/d			1,250	
2	Sales	GL1	3,250			
4	Rent	GL4		950		
17	Purchases	GL5		2,500		
22	Sales	GL1	2,000			
25	Advertising	GL7		1,700		

**REMEMBER TO RETURN THIS COMPLETED SECTION ‘A’ WITH YOUR ANSWER BOOK**

**For use with Section B – Question 1    HOUSEHOLD BUDGET**

**1. (A)**

CURRAN FAMILY	MAY	JUNE	JULY	AUG	TOTAL
PLANNED INCOME	€	€	€	€	€
John Curran – Salary					
Brigid Curran – Salary					
Child Benefit					
<b>A. TOTAL INCOME</b>					
PLANNED EXPENDITURE					
<i>Fixed</i>					
House Mortgage					
House Insurance					
Health Insurance					
Subtotal					
<i>Irregular</i>					
Household Expenses					
Transport Costs					
Light and Heat					
Telephone Costs					
Subtotal					
<i>Discretionary</i>					
Holiday					
Entertainment					
Subtotal					
<b>B. TOTAL EXPENDITURE</b>					
Net Cash (A-B)					
Opening Cash					
Closing Cash					

<b>1 (B)</b>	Methods of paying ESB bills	1	
		2	

<b>1 (C)</b>	Expenditure:	
	Explanation:	

**For use with Section B – Question 4**

(A)	Ronan Ward's basic pay per hour	
(B)	Earnings for one hour's overtime	
(C)	Number of overtime hours worked	

(D) Payslip:

Employee:	<b>Ronan Ward</b>	Week 15	Date:
PAY:	€	DEDUCTIONS:	€
BASIC		PAYE	<b>Harris Construction Co Ltd</b>
OVERTIME		PRSI	
		TRADE UNION	
GROSS PAY		TOTAL DEDUCTIONS	NET PAY

(E) Explanations of terms:

1	
	Example:
2	
	Example:
3	
	Example:

(A)

<b>Mobile World Ltd</b> <b>Retailers of Mobile Phones and Accessories</b> <b>12 High Street, Ennis, Co. Clare</b>		<b>ORDER No. 173</b>						
Telephone: 065-6899222 Fax: 065-6899223 e-mail: mobiles@comeir.ie		VAT Reg. No. IE 1573022						
Date:								
<table border="1" style="width: 50%; margin-left: auto; margin-right: auto;"> <tr><td style="height: 20px;"> </td></tr> <tr><td style="height: 20px;"> </td></tr> <tr><td style="height: 20px;"> </td></tr> <tr><td style="height: 20px;"> </td></tr> <tr><td style="height: 20px;"> </td></tr> <tr><td style="height: 20px;"> </td></tr> </table>								
Please supply the following goods:								
QUANTITY	DESCRIPTION	PRICE EACH						
		€						
Signed:		Title:						

<b>(B) One reason why Ciara would sign the Delivery Docket.</b>



(C)

<b>Guthán Wholesalers Ltd</b>				<b>INVOICE No. 681</b>	
Shannon Industrial Estate, Limerick					
Telephone: 061-592144				VAT Reg. No. IE 8462413	
Fax: 061-592145					
e-mail: guthan@loi.net					
				Date:	
				Your Order No:	
QUANTITY	DESCRIPTION	MODEL No.	PRICE EACH €	TOTAL €	
			Total (Excluding VAT)		
			Trade Discount		
			Sub-total		
			VAT		
Carriage Paid E & O E			Total (Including VAT)		

(D)

<b>Mobile World Ltd - Bank Account</b>							
Dr							Cr
Date	Details	F	€	Date	Details	F	€

**OR**

<b>Mobile World Ltd - Bank Account</b>					
Date	Details	F	Dr	Cr	Balance

**For use with Section B – Question 6**

**(A)**

<b>CUBES Ltd</b>		Date	
<b>PETTY CASH VOUCHER No 56</b>			
Details		Amount	
		€	c
Signature			

**(C)**

How much money will Michael receive from the chief cashier to enable him to start next month with an imprest of €400?

**Answer:** €

**(B)**

**Petty Cash Book**

Date	Details	Total	Date	Details	Total	Postage	Stationery	Repairs	Travel	Sundries	Voucher No.

C. Insert Answer in space provided on top right of this page.

**For use with Section B – Question 7**

<b>(A)</b>	<b>(i)</b>	Flight No.	
	<b>(ii)</b>	Latest time at bus stop	
	<b>(iii)</b>	Time of arrival in London	

<b>(B)</b>	Total time taken to get from Moate to London:		
	<b>Answer:</b>	<i>Workings:</i>	

<b>(C)</b>	<b>Three factors:</b>		
	1.		
	2.		
	3.		

<b>(D)</b>	<b>(i)</b>	Advantages of Air Transport:	
		1	
		2	
	<b>(ii)</b>	Disadvantages of Air Transport:	
		1	
		2	

<b>(E)</b>	Advantages of pipelines:		
		1	
		2	

For use with Section B – Question 8

**Sole Trader**

<b>(A) Advantages:</b>	
1	
2	
<b>(B) Disadvantages:</b>	
1	
2	

**Private Limited Company**

<b>(C) Owners:</b>	
<b>(D) Legal Document:</b>	
<b>(E) Advantages:</b>	
1	
2	

**(F) Differences between a Sole Trader and a Private Limited Company:**

1	
2	