

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, 2005

BUSINESS STUDIES – HIGHER LEVEL – PAPER I SECTION A (80 Marks)

WEDNESDAY, 15 JUNE 2005 – MORNING, 9.30 to 12.00

Answer all 20 questions. Each question carries 4 marks. Calculators may be used.

1. Outline **four** uses of Information Technology in the home.

- (i) _____
- (ii) _____
- (iii) _____
- (iv) _____

2. Tick (✓) the Factor of Production which applies to each item listed below.

	LAND	LABOUR	CAPITAL	ENTERPRISE
Employees				
Water				
Shareholder				
Machinery				

3. Distinguish between **Carriage Inwards** and **Carriage Outwards**.

4. **Answer A or B.**

Complete the Summary Balance Sheet below by filling in the **four** unshaded areas:

A. Summary Balance Sheet as on 31-12-2004		
	€	€
Fixed Assets		400,000
Current Assets		
Less Current Liabilities	60,000	
		530,000

OR

B. Summary Balance Sheet as on 31-12-2004		
	€	€
Share Capital		100,000
Reserves		
		400,000
Long-Term Liabilities		
		530,000

5. Use your knowledge of Insurance to complete the following sentences:

Insurance Companies employ _____ to calculate premiums. They also employ _____ to estimate the compensation payable for loss suffered.

6. Tick (✓) the correct box to indicate if the following appear in the Profit & Loss Account or Balance Sheet on 31/12/2004:

	Profit & Loss Account		Balance Sheet
	Expense	Gain	
Share Capital			
Interest Received			
Wages			
Stock (31/12/2004)			

7. Complete the ledger accounts of Ryan's Garage showing the names of the accounts and the relevant details.

On August 17 2004, Ryan's Garage sells a car for €10,000 cash.

Dr			Cr		
Date	Details	€	Date	Details	€
2004 Aug 17		10,000			

Dr			Cr		
Date	Details	€	Date	Details	€
			2004 Aug 17		10,000

8. Explain the term **Branding** in relation to Marketing.

State **two** examples of well known brands.

(i) _____

(ii) _____

9. State a suitable source of finance for each of the following business needs:

Business Need	Source of Finance
(i) Delivery Van	
(ii) Stock	
(iii) New Premises	
(iv) Insurance Cover	

10. Tick (✓) the correct answer.

The Balance of Payments shows

- (i) The difference between total imports and total exports of a country
- (ii) The difference between visible imports and visible exports of a country
- (iii) The difference between total government income and payments
- (iv) The total borrowings/National Debt of a country

11. **Column 1** is a list of Forms of Business. **Column 2** is a list of statements which can be matched to these Forms of Business. Match the two lists by placing the letter of the most appropriate statement under the relevant number below. (*One statement does not refer to any of the Forms of Business*).

Column 1 – Forms of Business	Column 2 – Statements
1. Private Limited Company	A. The Government is a shareholder
2. Co-operative	B. Owner has unlimited liability
3. Sole Trader	C. Has the letters PLC after its name
4. State Ownership	D. One vote per member
	E. Has the letters Ltd after its name

1	2	3	4

12. Complete the sentence below by selecting the correct terms from the following list.

Debtors	Creditors	Invoices	Credit Notes
----------------	------------------	-----------------	---------------------

When a firm receives complaints from _____, it may issue _____.

13. Complete and balance the Creditors' Control account below from the following information:

	€
Creditors' balance on 1 May 2005	800
Total credit purchases for May	9,300
Total cash paid to creditors for May	8,600

Creditors' Control Account					
Dr					Cr
Date	Details	€	Date	Details	€

OR

Creditors' Control Account				
Date	Details	Dr	Cr	Balance
		€	€	€

14. Distinguish between **conciliation** and **arbitration**.

15. Match the occupation to the appropriate sector by means of a tick (✓).

Occupation	Sector		
	Primary	Secondary	Services
Garda			
Block Layer			
Forestry Worker			
Child Minder			

16. (i) Explain the term **impulse buying**.

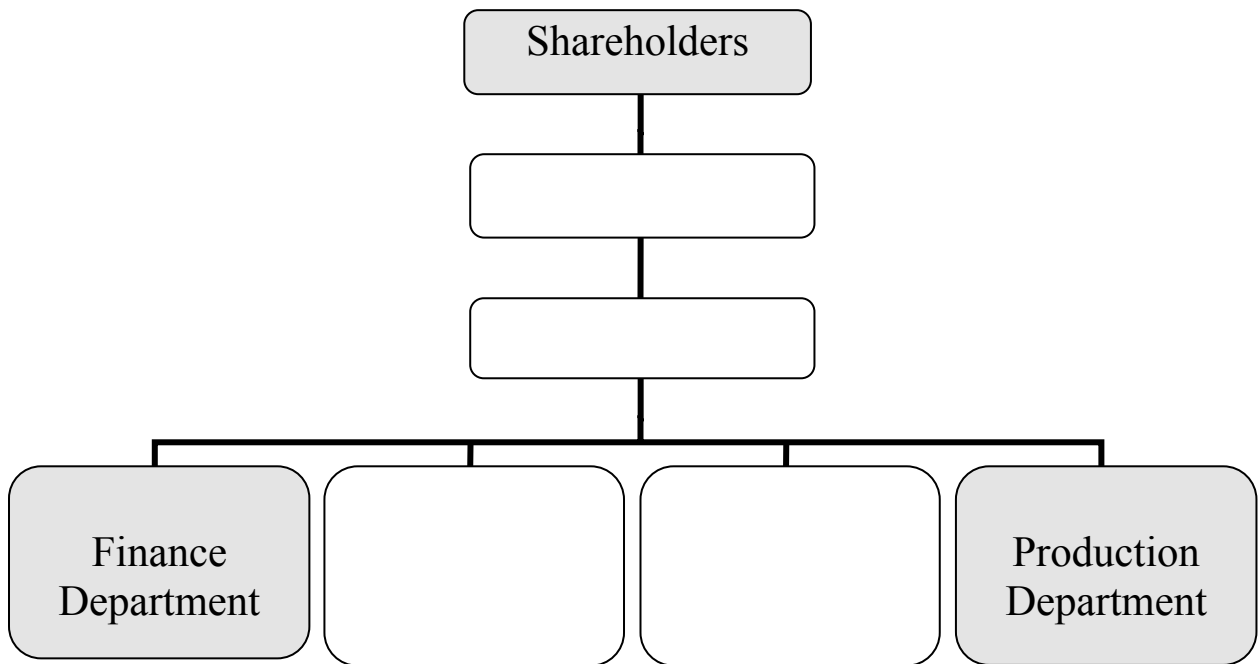
(ii) Outline **one** possible effect of impulse buying.

17. Select the correct document from the following list to complete the unshaded areas in the chart below:

Credit Note	Receipt	Order	Quotation
-------------	---------	-------	-----------

Buyer Sends	Seller Sends
1. Letter of Enquiry	2.
3.	4. Invoice
5. Returns	6.
	7. Statement
8. Cheque	9.

18. Complete the Organisational Chart of a limited company which has four departments.



19. Outline **two** reasons why a business would use ratio analysis.

(i) _____

(ii) _____

20. An examination of a firm's final accounts for 2004 showed the following information:

Net profit	€140,000
Return on Capital Employed	16%

Calculate the amount of **capital employed** by the firm.

Answer
€

Workings

For use with Section B – Question 1(A)

Budget Comparison Statement for the Hannon family for the year 2004

INCOME	Budget Jan – Dec €	Actual €	Difference €
Salaries	30,000		
Child Benefit	1,200		
Interest & Dividends	680		
Other			
TOTAL INCOME	31,880		
Expenditure			
<i>Fixed</i>			
Mortgage	4,950		
Car Insurance	600		
TV Licence	152		
Sub-Total	5,702		
<i>Irregular</i>			
Household Costs	17,040		
Car Costs	900		
Light & Heat Costs	2,150		
Medical Expenses	450		
Sub-Total	20,540		
<i>Discretionary</i>			
Entertainment Costs	1,320		
Presents	390		
Holidays	1,100		
Sub-Total	2,810		
TOTAL EXPENDITURE	29,052		
Net Cash	2,828		
Opening Cash	400		
Closing Cash	3,228		

Note: Do not complete the shaded boxes

For use in answering Section B – Question 1(B and C)

1. (B)

(i)	How much had the Hannon family budgeted to save during the year 2004?	Answer:	€
(ii)	What was their actual closing cash balance at the end of the year 2004?	Answer:	€
(iii)	State by how much the Hannon family exceeded their budgeted expenditure.	Answer:	€

(iv) Explain the term ‘**no claims bonus**’.

1. (C)

(i) Outline **two** reasons why the Hannon family would prepare a budget.

1. _____

2. _____

(ii) If the Hannon family had a deficit for the year 2004, outline **two** changes which they could make in their household budget.

1. _____

2. _____

Document for use with Section B – Question 3 (A)

Workings

Gross Pay	PAYE
Tax Credit	Other

(ii)

Wage Slip		
Name:		
Week No:		
Basic Pay	€	
Overtime	€	
Gross Pay	—————→	€
Tax Credit	€	
Deductions:		
PAYE	€	
PRSI	€	
Trade Union	€	
Savings	€	
Total Deductions	—————→	€
Net Pay	—————→	€

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