

**JC Business Studies Ordinary Level Only**  
**EXAMINATION BOOKLET**

Candidate's Examination Number



**Coimisiún na Scrúduithe Stáit**  
**State Examinations Commission**

**JUNIOR CERTIFICATE EXAMINATION 2017**  
**BUSINESS STUDIES – ORDINARY LEVEL**

TUESDAY 13 JUNE 2017 – MORNING 9.30-12.00

**Answer Section A (starting on Page 2) and Section B (starting on Page 9)**

**Junior Certificate**  
**Ordinary**  
**Level**

CENTRE STAMP

Calculators may be used.

**Make and Model of Calculator Used:**

1. Total of end of page totals	
2. Aggregate total of all disallowed Question(s)	
3. Total mark awarded (1 minus 2)	
4. Bonus mark if answered through Irish	
5. Total mark awarded if Irish Bonus (3 + 4)	
Note: The mark in row 3 (or row 5 if an Irish bonus is awarded) must equal the mark in the Grand Total box.	

Question	Examiner's Marks	Advising Examiner's Marks
Total Sec. A		
Section B		
1		
2		
3		
4		
5		
6		
7		
8		
Total		
Irish Bonus		
Grand Total		
Grade		

# SECTION A

(100 marks)

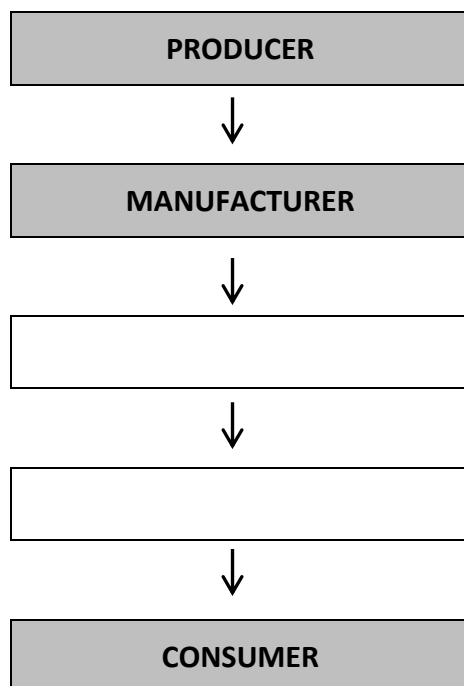
Answer all 20 questions. Each question carries 5 marks.

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

PAYE	
EU	

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



3. State **three** types of financial institution in which people may place the money they have saved:

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

(iii) \_\_\_\_\_

4. Give **one** example of **each** of the following types of production:

Type of Production	Example
Primary	
Services	

5. Kelly Fashions Ltd has decided to change from advertising in newspapers to advertising on the internet. State **two** advantages of making this change.

1.

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2.

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6. Barry's Tea Bags can be bought in three box sizes, 80 bags, 160 bags and 600 bags.

	<b>80 Bags</b>	<b>160 Bags</b>	<b>600 Bags</b>
	€4.00 per box	€6.40 per box	€27.00 per box

Calculate which box size offers the best value for money. Show your workings.

Answer	
Box Size:	Bags

Workings:

7. A sales person travels from Cavan to Galway and from there to Dublin, where she stays overnight. From the Distance Table below, calculate how many kilometres she travels that day.

**DISTANCE TABLE (Km)**




Carlow								
172	Cavan							
188	300	Cork						
296	110	400	Donegal					
84	112	260	222	Dublin				
172	82	325	158	85	Dundalk			
178	200	142	260	232	256	Ennis		
188	167	198	205	210	238	70	Galway	

<b>Answer:</b>	<b>Km</b>
Workings:	

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

	TRUE	FALSE
Net Profit is equal to Gross Profit plus Expenses.		
Net Profit is equal to Sales less Expenses.		
Net Profit is equal to Gross Profit less Expenses.		

9. In the spaces provided below, identify **each** of the computer components numbered 1, 2, 3.

		
<b>1.</b>	<b>2.</b>	<b>3.</b>

10. In **each** space below, write the correct word from the following list:

RECESSION      PURCHASES      PRICES      INCOME      GROWTH

*(Three of the words above do not complete any of the sentences below.)*

- (i) Inflation is a rise in \_\_\_\_\_ from one year to the next.
- (ii) Economic \_\_\_\_\_ is when the amount of goods and services produced by a country increases from one year to the next.

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

<b>LAND</b>			<b>ENTERPRISE</b>
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12. From the following Government budget for 2018, calculate the difference between Total Income and Total Expenditure. Indicate whether it is a **surplus budget** or a **deficit budget**:

<b>Government Budget 2018</b>	
	<b>€ (million)</b>
Total Income	175,850
Total Expenditure	186,340

13. Under Irish consumer law, are shops allowed to display the following notices?  
Place a tick (✓) under 'Yes' or 'No' in each case.

<b>Cash Only Accepted</b>	
YES	NO

<b>No Refunds</b>	
YES	NO

14. The following figures are from the books of Duffy Ltd:

<b>Reserves</b>	<b>€18,500</b>	<b>Cash in Bank</b>	<b>€11,250</b>
<b>Premises</b>	<b>€640,000</b>	<b>Issued Share Capital</b>	<b>€300,000</b>

Enter **and** total the 'Financed by' section in the following extract from the Balance Sheet of Duffy Ltd as at 31 December 2016:

Extract from Balance Sheet of Duffy Ltd as at 31-12-2016	
Financed by:	€
<b>TOTAL CAPITAL EMPLOYED</b>	

15. A farmer wants to borrow €45,000 to purchase a new machine.

- (i) Identify the most suitable source of finance from the following list.  
Place a tick (✓) under the correct source.

MORTGAGE	TERM LOAN	HIRE PURCHASE

- (ii) State **one** reason for your answer.

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16. **Column 1** shows a list of industrial relations 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. Work-to-rule	A. Employees' elected representative in a Trade Union
2. Shop Steward	B. Employees occupy the premises in which they work
3. Strike	C. Employees do their essential duties and nothing more
	D. Employees in dispute withdraw their labour

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

1.	2.	3.

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

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

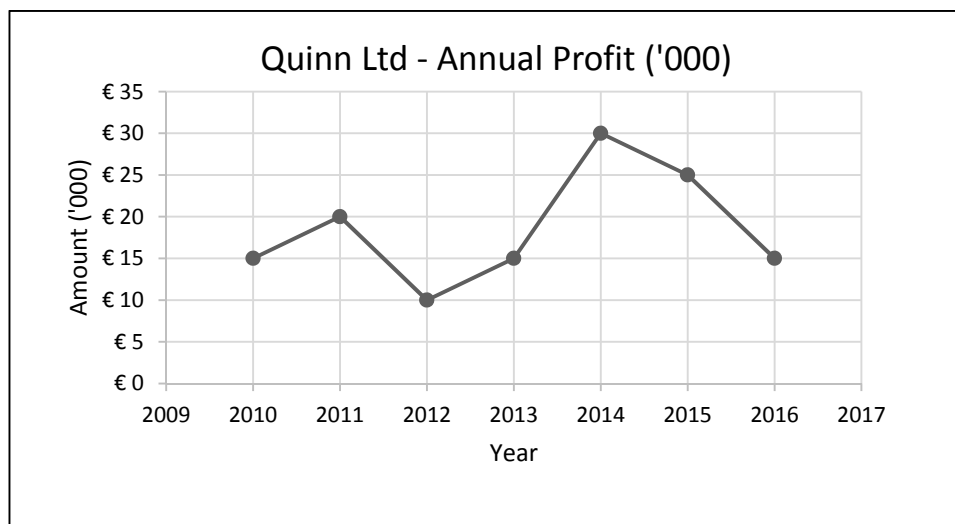
Dr				Cash Account				Cr
Date	Details	F	Total	Date	Details	F	Total	
2017			€	2017			€	
May 1	Balance	b/d	490	May 9	Wages	GL <sub>7</sub>	295	
16	Cash Sales	GL <sub>2</sub>	870	23	Cash Purchases	GL <sub>3</sub>	485	

OR

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

Cash Account					
Date	Details	F	Dr	Cr	Balance
2017			€	€	€
May 1	Balance	b/d			490
9	Wages	GL <sub>7</sub>		295	
16	Cash Sales	GL <sub>2</sub>	870		
23	Cash Purchases	GL <sub>3</sub>		485	

18. The following line graph shows the annual profit for Quinn Ltd for seven years:



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

	Questions	Answers
(i)	Identify the year that had the highest profit.	
(ii)	Identify the year that had the lowest profit.	
(iii)	What was the company's profit in the year 2015?	€

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

MIKE PHILPOTT

SEÁN PHELAN

JAMES PHILLIPS

BRIAN PHILIBIN

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

20. Frances Lee purchased groceries for **€70.86** at her local shop. She handed the cashier **four €20 notes** and received her change. The cashier used the least number of notes and coins possible when counting out Frances's change.

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

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

For examiner use only:	Total Marks for Section A		Cumulative total c/f:	
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**Note:**

On the following pages, space is provided for answering all questions in Section B.

Answer any **five** questions.

Please read the questions in Section B carefully before answering.

This area may be used for workings if required.



For use with SECTION B – Question 1

(A)

FAHY HOUSEHOLD	JULY	AUGUST	SEPT	OCT	TOTAL
PLANNED INCOME	€	€	€	€	€
Maura Fahy - salary					
Seán Fahy - salary					
Child benefit					
<b>A. TOTAL INCOME</b>					
PLANNED EXPENDITURE					
<i>Fixed</i>					
House rental					
House insurance					
Health insurance					
Subtotal					
<i>Irregular</i>					
Household costs					
Motoring costs					
Light and Heat					
Education costs					
Telephone costs					
Subtotal					
<i>Discretionary</i>					
Entertainment costs					
Holiday savings					
Subtotal					
<b>B. TOTAL EXPENDITURE</b>					
Net cash (A – B)					
Opening cash					
Closing cash					

<b>(B)</b>	On the basis of the completed four-month budget, can the household afford mortgage repayments of €1,700 per month?	YES		NO	
	Explain your answer:				
<b>(C)</b>	The Fahy household is saving for its holidays in June 2018. Calculate how much the household will have saved by 31 December 2017. Show your answer and workings.	Workings:			
		Answer: €			

For examiner use only:	Total b/f:		Total for Question 1:		Cumulative total c/f:	
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**For use with SECTION B – Question 2 (continued)**

**(A) (ii)**

Balance Sheet of Ash Ltd as at				
		€	€	€

<b>(B)</b>	(i) Explain the term ‘Bank Overdraft’ in the Trial Balance.	For Office Use Only	

	(ii) Calculate the Rate of Dividend Paid as a percentage of Issued Share Capital using the formula provided. Show your answer and workings.		
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$$\frac{\text{Dividend Paid}}{\text{Issued Share Capital}} \times \frac{100}{1}$$

	<b>Answer:</b> %	Workings:		
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For examiner use only:	Total b/f:		Total for Question 2:		Cumulative total c/f:	
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**For use with SECTION B – Question 3 (continued)**

		For Office Use Only

<b>(B)</b>	<p>In the spaces below, name which <b>two</b> of the following five documents are required when setting up a Private Limited Company:</p> <p style="text-align: center;">STATEMENT OF ACCOUNT                      MEMORANDUM OF ASSOCIATION ARTICLES OF ASSOCIATION                  QUOTATION PROPOSAL FORM</p>		
	1.		
	2.		

<b>(C)</b>	<p>When they set up as a company, Tom and Sheila plan to purchase a van costing €24,000, a set of ladders costing €1,750, an industrial hoover costing €2,850 and a power hose costing €1,400. They have saved €10,000 in a bank account for these.</p>			
	(i)	<p>In order to purchase them, how much will they need to borrow? Show your answer and workings.</p>		
		<p><b>Answer:</b>    €</p>	<p>Workings:</p>	
	(ii)	<p>If the bank grants them a loan at 8% per annum, calculate how much interest they will have to pay in the first year of the loan. Show your answer and workings.</p>		
		<p><b>Answer:</b>    €</p>	<p>Workings:</p>	

For examiner use only:	Total b/f:		Total for Question 3:		Cumulative total c/f:	
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**For use with SECTION B – Question 4**

<b>(A)</b>	The following terms are all associated with wages:					For Office Use Only
	<b>Statutory Deductions</b>	<b>Piece Rate</b>	<b>Commission</b>	<b>Benefit-in-kind</b>	<b>Time Rate</b>	
	Explain <b>three</b> of the above terms.					
	1.					
	2.					
	3.					

<b>(B)</b>	<i>Show answer and workings in each case.</i>	<b>Answer</b>	<b>Workings</b>		
(i)	From the wage slip, calculate Mona Walsh's basic pay per hour.	€			
(ii)	Calculate how much she earns for one hour's overtime.	€			
(iii)	Calculate the number of overtime hours she worked in Week 20.				

**For use with SECTION B – Question 4 (continued)**

**(C)** The following week, Mona worked for 42 hours. Her PAYE deduction was €94.86 and her PRSI deduction was 7% of her gross pay. There was no change in her Basic Pay or Cycle to Work Scheme deduction. Using this information, complete her wage slip for Week 21.

Employee No. 15	<b>Mona Walsh</b>		Week 21	Date:	
<b>PAY:</b>	€	<b>DEDUCTIONS:</b>		€	<b>Fashion World Ltd</b>
BASIC		PAYE			
OVERTIME		PRSI			
		CYCLE TO WORK SCHEME			
<b>GROSS PAY</b>		<b>TOTAL DEDUCTIONS</b>			<b>NET PAY</b>
					€

<b>(D)</b>	Explain <b>two</b> rights and <b>two</b> responsibilities Mona has as an employee of Fashion World Ltd.	For Office Use Only	
	<b>Rights:</b>		
	1.		
	2.		
	<b>Responsibilities:</b>		
	1.		
	2.		

For examiner use only:	Total b/f:		Total for Question 4:		Cumulative total c/f:	
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(A) (i) Complete the Invoice:

<b>Houseware Ltd</b>		<b>INVOICE No. 420</b>		
Nice View Estate, Mallow, Co. Cork				
Telephone: 021-4831758 e-mail: houseware@gmail.com		VAT Reg. No. IE6239745		
		Date: _____		
		Your Order No.: _____		
QUANTITY	DESCRIPTION	MODEL No.	PRICE EACH €	TOTAL €
		Total (Excluding VAT)		
		Trade Discount		
		Subtotal		
Carriage Paid E & O E		VAT		
		Total (Including VAT)		

Workings (if required):



For use with SECTION B – Question 5 (continued)

<b>(A)</b>	(ii) State <b>one</b> reason why an invoice is an important document.
	<b>Answer:</b>

**(B)** Complete the cheque and counterfoil:

Date		<b>AIB Bank</b>	93-26-52
To		Abbey Road, Nenagh, Co. Tipperary	Date
Balance	€ 35,500.00	Pay	or order
This Cheque	€		€
New Balance	€	KITCHENS Ltd	
<b>74235</b>			
<b>74235</b>		<b>74235</b>	<b>932652 38767592</b>

**(C)** Enter the cheque payment in the bank account of Kitchens Ltd:

Kitchens Ltd – Bank Account							
Dr	2017	Details	F	€		2017	Cr

**OR**

Kitchens Ltd – Bank Account						
Date	Details	F	Dr	Cr	Balance	
2017			€	€	€	

For examiner use only:	Total b/f:		Total for Question 5:		Cumulative total c/f:	
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For use with SECTION B – Question 6

(A)

Analysed Receipts and Payments Account (Analysed Cash Book) of Play Pitch and Putt Club

Dr							Cr							
Date	Details	Bank					Date	Details	Cheque No.	Bank				
2017		€	€	€	€	€	2017			€	€	€	€	€

**For use with SECTION B – Question 6 (continued)**

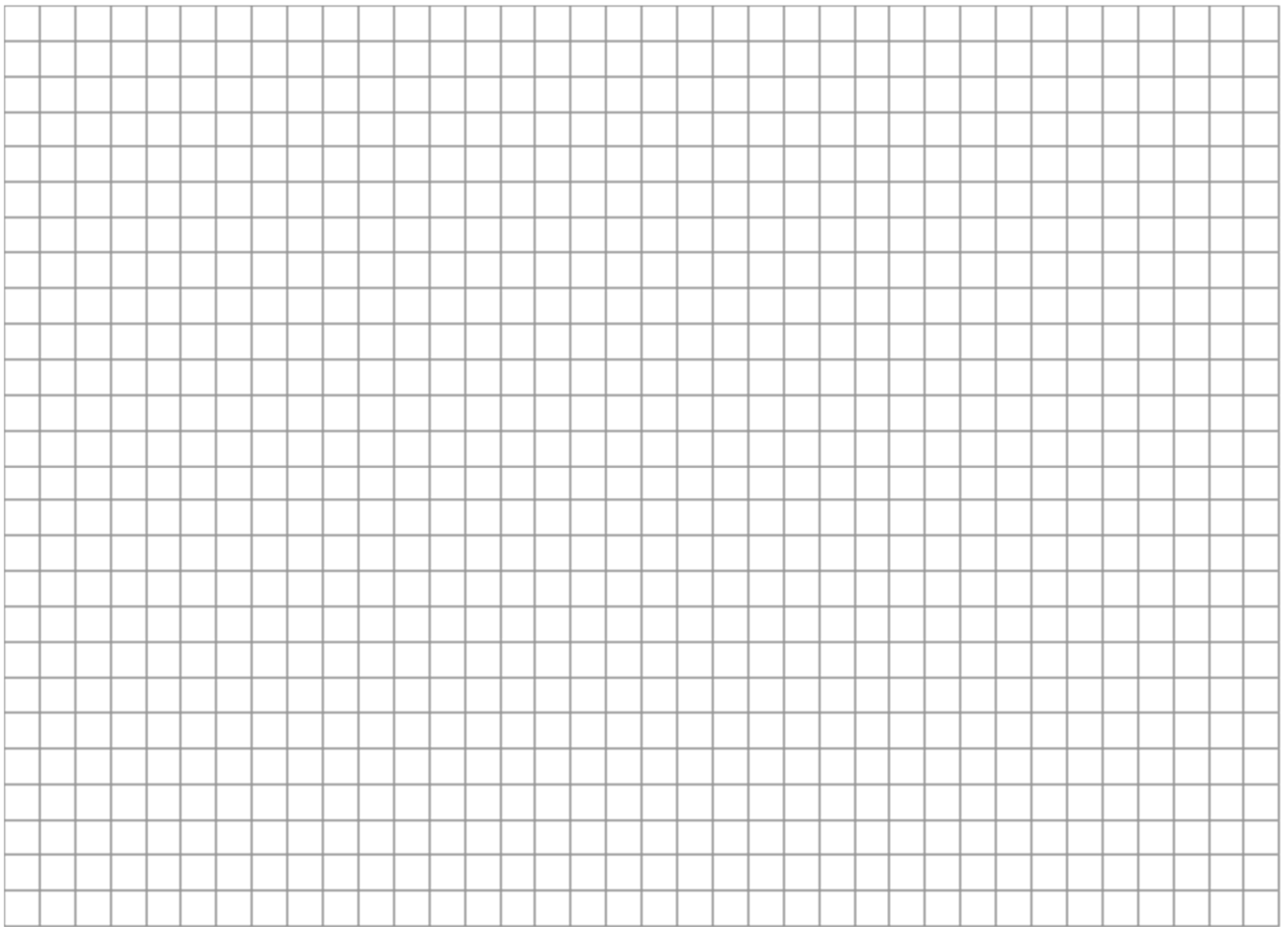
<b>(B)</b>	Calculate the surplus or deficit that the club made during May on running the raffle. Show your answer and workings.		For Office Use Only	
	<p><b>Answer:</b>    €</p>	<p>Workings:</p>		

<b>(C)</b>	(i)	Explain the term ‘sponsorship’.			
		(ii)	State <b>one</b> reason why Putter Ltd might sponsor Play Pitch and Putt Club.		

For examiner use only:	Total b/f:		Total for Question 6:		Cumulative total c/f:	
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**For use with SECTION B – Question 7**

<b>(A)</b>	(i)	Show the given figures in the form of a Bar Chart.
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	(ii)	Calculate the total exports of Agriproducts Ltd to the UK for the year 2016. Show your answer and workings.	For Office Use Only	
		<b>Answer:</b> €	Workings:	

	(iii)	Apart from Ireland, name <b>three</b> countries that are in the eurozone.	
	1.		
	2.		
	3.		

**For use with SECTION B – Question 7 (continued)**

			For Office Use Only	
<b>(B)</b>	(i)	State <b>two</b> reasons why Ireland trades with other countries.		
		1.		
		2.		
	(ii)	Name <b>two</b> types of goods other than food products which are exported from Ireland.		
		1.		
		2.		
	(iii)	Explain <b>two</b> difficulties Agriproducts Ltd might face if it wishes to export packed vegetables to Japan.		
		1.		
		2.		

<b>(C)</b>	<p>John Kenny is sales manager in Agriproducts Ltd. He receives a bank draft of £1,790.46 (sterling) from a customer in Leeds. If the Rate of Exchange is €1 = £0.87, calculate the number of euro he would receive when he cashes the bank draft at his local bank. Show your answer and workings.</p>		
	<p><b>Answer:</b> €</p>	<p>Workings:</p>	

For examiner use only:	Total b/f:		Total for Question 7:		Cumulative total c/f:	
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**For use with SECTION B – Question 8**

**(A)** Complete Frank Mooney’s proposal form for motor insurance:

PROPOSAL FORM			
<b>SHIELD INSURANCE LTD</b> PROPOSAL FORM FOR MOTOR INSURANCE			
Surname		First Name	
Address			
Telephone			
Date of birth			
Occupation			
VEHICLE DETAILS			
Type of vehicle		Current value	
Make and model		Registration number	
INSURANCE DETAILS			
Type of insurance required	THIRD PARTY ONLY		<i>(Tick (✓) the correct box.)</i>
	THIRD PARTY FIRE AND THEFT		
	COMPREHENSIVE		
Type of driving licence	PROVISIONAL LICENCE		<i>(Tick (✓) the correct box.)</i>
	FULL LICENCE		
Insurance required from (date)			
Previous insurance company			
Number of years driving			
Details of recent claim (if any)	Year		Amount claimed
Reason for Claim			
Penalty Points (if any)	Number		Reason
SIGNATURE			DATE

**For use with SECTION B – Question 8 (continued)**

<b>(B)</b>	(i)	Using the information in the insurance quote, calculate the total net cost of insuring Frank Mooney’s house and contents. Show your answer and workings.	For Office Use Only		
		<b>Answer:</b> €	Workings:		
	(ii)	Name the title of the insurance person who calculates the premium			
		<b>Answer:</b>			
(iii)	Frank accepted the quote and paid the total amount online by Visa Debit card to Asset Insurances Ltd. On 8 June 2017, Asset Insurances Ltd sent Frank a Receipt (No. 612), signed by Michelle White. Complete the Receipt:				

<b>Receipt No. 612</b>	
<b>Asset Insurances Ltd</b>	
Main Street, Kilkenny	Telephone: 056 672986
Date:	
Received from:	
The Sum of:	€
Method of payment:	
<b>With Thanks</b>	Signed: _____ (Cashier)

<b>(C)</b>	In <b>each</b> space provided below, write the correct term for each explanation from the following list: COMPENSATION      POLICY      ASSESSOR      RISK      INDEMNITY <i>(One of the terms above does not refer to any of the explanations below.)</i>			
	EXPLANATION		TERM	
	(i)	It contains details of the insurance contract.		
	(ii)	The likelihood of a loss occurring.		
	(iii)	A person cannot make a profit from insurance.		
	(iv)	The money paid when a claim is made.		

For examiner use only:	Total b/f:		Total for Question 8:		Cumulative total:	
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