

**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, 2010

## BUSINESS STUDIES – HIGHER LEVEL – PAPER I

TUESDAY, 15 JUNE 2010 – MORNING, 9.30 - 12.00

### SECTION A (80 marks)

Answer all 20 questions. Each question carries 4 marks.

Calculators may be used.  
Make and Model of Calculator Used:



OVER 

## Answer all twenty questions

1. The following initials are used in Bookkeeping. What do they stand for?

<b>Dr</b>	
<b>B/D</b>	
<b>Cr</b>	

2. Explain the following terms used in IT.

**(i) Hardware**

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**(ii) Software**

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3. Complete the Profit & Loss Appropriation Account by filling in the **three** unshaded areas, numbered **(i)** to **(iii)**, from the following information:

Authorised Share Capital	€800,000
Issued Share Capital	€500,000
Dividends declared	7.5%

<b>Profit &amp; Loss Appropriation Account for year ending 30-04-2010</b>		
		€
Net Profit		<b>90,000</b>
Less Dividends		<b>(i)</b>
<b>(ii)</b>		<b>(iii)</b>

4. Tick (✓) the appropriate column(s) to indicate where in the final accounts of a farming business the following items should be entered on 31/3/2010:

	Operating Statement	Balance Sheet
Vet fees		
Land		
Stock of feedstuff (31/3/2010)		

5. Debt Servicing is:

- (i) Repaying all the money borrowed by the government
- (ii) Repaying the interest on the National Debt
- (iii) Repaying the National Debt

Tick (✓) the most appropriate box.

6. On 14 June 2010, M. Dunne, a bookshop owner, sold equipment for €1,500 cash.  
Complete the ledger accounts of M. Dunne showing the names of the accounts and the relevant details, numbered (i) to (iv):

(i) \_\_\_\_\_ A/c

Dr			Cr		
Date	Details	€	Date	Details	€
2010 June 14	(ii)	1,500			

(iii) \_\_\_\_\_ A/c

Dr			Cr		
Date	Details	€	Date	Details	€
			2010 June 14	(iv)	1,500

7. **Column 1** is a list of retailers. **Column 2** is a list of statements that can be matched to these retailers. *(One statement does not refer to any of the retailers.)*

<b>Column 1 – Retailers</b>	<b>Column 2 – Statements</b>
1. Multiple Shop	A. Shops joining together to compete
2. Supermarket	B. Shop set up with the permission of the owner
3. Mail Order Firm	C. Shop owned by one owner with many branches around the country
4. Voluntary Group	D. Self-service shop which provides a large variety of goods
	E. Retail organisation which sells goods through the post

Match the two lists by placing the letter of the most appropriate statement under the relevant number below:

1.	2.	3.	4.

8. Complete and balance the Creditors Control Account on 31 May 2010 from the following information:

	€
Creditors balance on 1 May 2010	6,700
Total credit purchases for May	14,200
Total payments to creditors in May	17,100

Dr		Creditors Control Account				Cr
Date	Details	€	Date	Details	€	

**OR (Alternative Format)**

Creditors Control Account				
Date	Details	Dr	Cr	Balance
		€	€	€

9. Explain **two** reasons why a Government prepares a National Budget

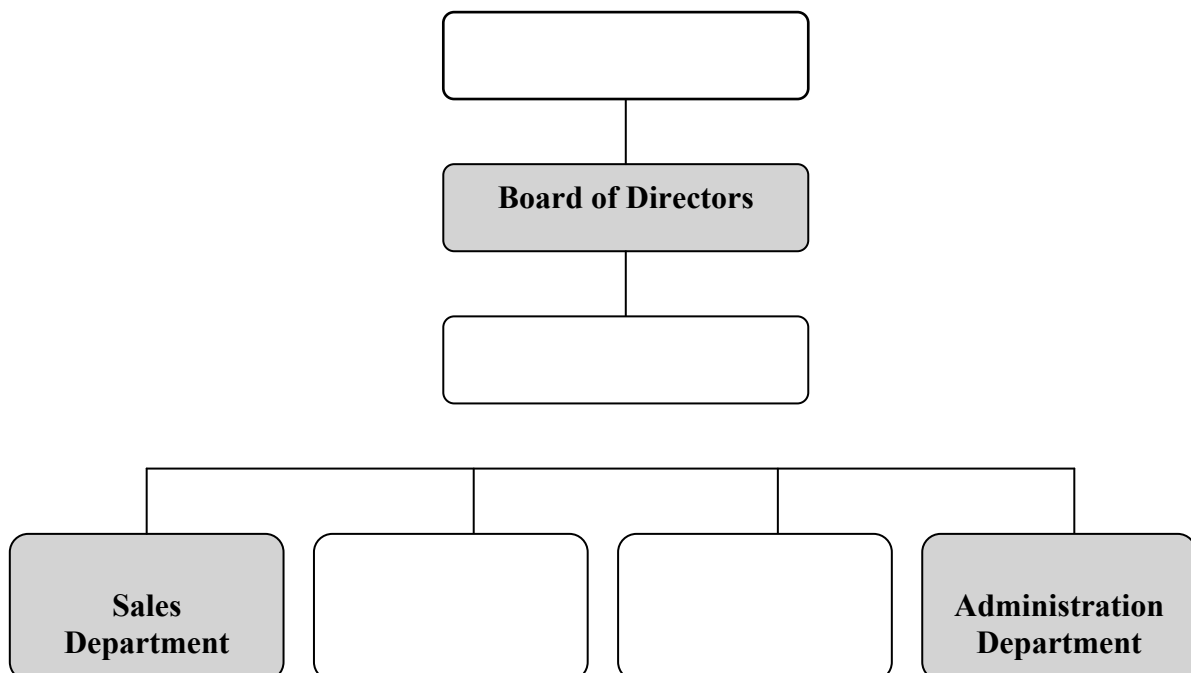
(i) \_\_\_\_\_  
\_\_\_\_\_

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

10. Complete the following extract from an invoice:

	€
Total (excluding VAT)	<b>400.00</b>
Trade Discount <b>12½%</b>	
Subtotal	
VAT <b>21%</b>	
Total (including VAT)	

11. Complete the Organisational Chart of a limited company that has four departments, by filling in the **four** unshaded areas:



12. Explain, with an example, the term **Import Substitution**:

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13. Identify **two** legal requirements that must be satisfied when opening a bank account:

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

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

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14. A firm has Current Assets of €78,000 (including Closing Stock of €36,000) and Current Liabilities of €31,500.

Calculate the Acid Test/Quick ratio:  
(Show your workings.)

<b>Answer:</b>
_____

Workings:

15. Enter the following transaction in the Sales Returns Book of Harty Ltd:

On 1 June 2010, Williams Ltd returned goods €2,400 to Harty Ltd (Credit Note No. 48).  
The VAT rate on these goods is 21%.

Harty Ltd – Sales Returns Book						
Date	Details	CN No.	F	Net €	VAT €	Total €

16. Outline **two** rights of an employee.

- (i) \_\_\_\_\_  
 \_\_\_\_\_
- (ii) \_\_\_\_\_  
 \_\_\_\_\_

17. Enter the following balances in the partially completed General Journal of Crowe Ltd:

1 January 2010	Debtors	€54,000
	Bank Overdraft	€25,500
	Ordinary Share Capital	€633,500

Crowe Ltd – General Journal				
Date	Details	F	Dr	Cr
			€	€
	Premises	GL1	605,000	
	Debtors	DL1		
	Bank Overdraft	CB1		
	Ordinary Share Capital	GL2		
	Assets, Liabilities and Share Capital of Crowe Ltd on this date.			



18. Explain the following terms used in Insurance.

**(i) Proposal Form**

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**(ii) Policy**

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19. Select the correct words from the following list to complete the table below.

<b>Hire Purchase</b>	<b>Long Term Loan</b>	<b>Leasing</b>	<b>Bank Overdraft</b>
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*(Part (i) has already been completed as an example).*

	<b>Business Need</b>	<b>Source of Finance</b>
<b>(i)</b>	New Van	Hire Purchase
<b>(ii)</b>	New Computer	
<b>(iii)</b>	New Stationery	
<b>(iv)</b>	New Warehouse	

20. Explain the term **Limited Liability**:

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**PLEASE REMEMBER TO RETURN THIS SECTION 'A' WITH YOUR ANSWER BOOK**

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

**(A)**

	Feb	Mar	Apr	May	Total for period Feb-May	For Office Use Only	
	€	€	€	€	€		
<b>TOTAL INCOME</b>	2,850	2,850	2,625	2,725			
<b>TOTAL EXPENDITURE</b>	2,425	3,025	2,968	2,167			
Savings	300	300	300	300			
(Total Expenditure and Savings) <b>TOTAL OUTGOINGS</b>	2,725						
Net Cash							
Opening Cash	548						
Closing Cash							

**(B)**

<b>(i)</b> What is a budget?	For Office Use Only	
<b>Answer:</b>		

<b>(ii)</b> Outline <b>two</b> reasons for preparing a budget.	For Office Use Only	
<b>Reason 1:</b>		
<b>Reason 2:</b>		

**For use in answering Section B – Question 1(B) Contd.**


<b>(iii)</b> Name any month the Devine household plan to have a deficit <b>and</b> the amount of the deficit.	For Office Use Only
<b>Month:</b> <span style="margin-left: 200px;"><b>Amount: €</b></span>	

<b>(iv)</b> Suggest <b>one</b> way of overcoming this deficit.	For Office Use Only
<b>Answer:</b>	

<b>(v)</b> Did the Devine household plan to live within their income for the period February to May 2010?	YES		<i>(Please tick appropriate box.)</i>	For Office Use Only
	NO			
Give <b>one</b> reason for your answer.				
<b>Reason:</b>				

<b>(vi)</b> Suggest <b>one</b> place the Devine household could put their savings. Give <b>one</b> reason for your answer.	For Office Use Only
<b>Answer:</b>	
<b>Reason:</b>	

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

Date		<b>AIB</b>	93-63-32
To		KILLARNEY, CO. KERRY	Date _____
Balance b/f	€ 849.00		
Lodgement		Pay _____	or order <b>euro euro euro</b>
Total		_____	€ _____
This Cheque			ANDY DEVINE
Balance c/f			
<b>2614</b>		<b>2614      936332      5678210</b>	

**Document for use with Section B – Question 6 (A) (i)**

<b>Ballylea Credit Union</b>			
<b>MEMBER EDUCATION LOAN APPLICATION FORM</b>			
<b>MEMBER PERSONAL DETAILS</b>			
Surname		Mr, Mrs, Ms.	
First Name		Male/Female	
Occupation			
Employer's/College Name & Address			
Home Address			
Number of years at present address			
Account Type		<b>EXISTING LOAN:</b> <i>Please tick appropriate box. ➡</i>	Yes
Account Number			No
<b>LOAN DETAILS</b>			
Purpose of loan		Amount required	€
Length loan required for		Weekly repayment	€
Financial Institution Name & Address		Method of repayment	
Guarantor Name & Address			
Guarantor Contact Number			
Other credit commitments?	YES		<i>(Please tick appropriate box.)</i>
	NO		
<b>CONTACT DETAILS</b>			
Applicant Contact Number			
E-mail address			
I certify the accuracy of the information given above.			
SIGNATURE		DATE	

**PLEASE REMEMBER TO RETURN THIS SECTION 'A' WITH YOUR ANSWER BOOK**

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