



Coimisiún na Scrúduithe Stáit
State Examinations Commission

JUNIOR CERTIFICATE 2008

MARKING SCHEME

BUSINESS STUDIES

ORDINARY LEVEL

Junior Certificate Examination 2008

Business Studies

Ordinary Level

Marking Scheme and Support Notes for use with the Marking Scheme

In considering this marking scheme the following points should be noted:

- The support notes presented are not exclusive or definitive and alternative answers may be acceptable if deemed valid;
- They are support notes and not model or suggested answers;
- The book-keeping layout as presented in the support notes may be accepted as best practice. However, in some book-keeping questions there can be a number of alternative approaches and formats that can be validly used by candidates;
- Further relevant points of information presented by candidates are marked and rewarded on their merits;
- The detail required in any answer is determined by the context and the manner in which the question is asked and by the number of marks assigned to the answer on the examination paper. Requirements and mark allocations may therefore vary from year to year.

JUNIOR CERTIFICATE EXAMINATION, 2008
BUSINESS STUDIES – ORDINARY LEVEL

SECTION A
(100 marks)

Each question carries 5 marks

MARKING SCHEME

- | | | | |
|------------|--|------------|--|
| 1. | 3 marks for one correct
5 for both correct | 12. | 2 marks for one correct
4 for two correct
5 for all three correct |
| 2. | 2 marks for one correct
3 for two correct
4 for three correct
5 for all four in correct order | 13. | Total due – 3 marks
Change – 2 marks |
| 3. | 3 marks for one correct
5 for both correct | 14. | 5 marks (3 + 2)
Allow up to 3 for good example |
| 4. | 2 marks for one correct
4 for two correct
5 for all three correct | 15. | 2 marks for one correct
4 for two correct
5 for all three correct |
| 5. | 3 marks for one correct
5 for both correct | 16. | 2 marks for correct balance
1 each for other three figures |
| 6. | 5 marks for correct answer | | <i>OR</i> |
| 7. | 2 labels @ one mark each
3 figures @ one mark each | | 2 marks for correct first figure
2 marks for correct second figure
1 mark for correct third figure |
| 8. | 2 marks for one correct document
4 for two correct documents
5 for all three correct | 17. | “Surplus” – 2 marks
Correct figure – 3 marks |
| 9. | 3 marks for one correct
5 for both correct | 18. | 2 marks for one correct
4 for two correct
5 for all three correct |
| 10. | 2 marks for one correct
4 for two correct
5 for all three correct | 19. | 5 marks for correct answer
If incorrect, up to 3 for workings |
| 11. | 2 marks for one correct
4 for two correct
5 for all three correct | 20. | 3 marks for one correct entry
5 for both correct |

BUSINESS STUDIES – ORDINARY LEVEL

SECTION B

(300 marks)

All questions carry equal marks (60 marks)

MARKING SCHEME

Q. 1 HOUSEHOLD BUDGET

- (A) 88 entries (Inc & Exp) @ ½ mark each 44
5 entries on Net Cash row @ ½ mark ea. 2½
5 appropriate entries on Opening Cash row
@ ½ mark each 2½
Closing Cash Balance (twice) - 1 mark 1 (50)
- (B) Explanation of Insurance Premium – 5 marks (5)
- (C) One example of health insurance company – 5 marks (5) (60)

Q. 2 FINAL A/Cs & BALANCE SHEET

- (A) Company Name 2
Titles 6
Trad/Prof & Loss 14 figs. @ 1 mark each 14
Gross Profit 2
Net Profit 2
Appropriation of Dividend
Dividend 1 mark
Balance 1 mark 2
Balance Sheet 13 figs. @ 1 mark each 13
Balance Sheet subtitles 4 (45)
- (B) Explanation of Rent – 5 marks (5)
- (C) Workings (essential) 5 marks
Correct Net Profit percentage 5 marks (10) (60)

Q. 3 CONSUMER & WRITING A LETTER

- (A) Letter Format (20 marks):
2 marks each for 2 Addresses,
Date, Salutation,
Close (Yours ...), Signature 12
1 Mark for Reference or Encl 1
4 marks for English
(Par., Punc., Gram., Spelling) 4
3 marks for Presentation/Neatness 3 20
- Letter Content (20 marks):
Where he bought TV 4
Explanation of problem 4
Future plan 4
Two consumer rights mentioned 8 20 (40)
- (B) Explanation:
Credit Card **or** Laser – 8 marks (8)
- (C) **Two** agencies @ 3 marks each 6
Two explanatory sentences @ 3 marks 6 (12) (60)

Q. 4 SENDING MONEY ABROAD, SAVINGS & AN POST

- (A) Amount in euro 3 marks
Workings up to 3 marks (6)
- (B) Completion of Form:
2 marks each for
London, money in figures,
signature, date 8
13 other entries @ 1 mark each 13 (21)
- (C) Calculation of fee 3 marks
Workings up to 3 marks 6

Calculation of total 3 marks
Workings up to 3 marks 6 (12)
- (D) (i) **Three** reasons for saving @ 3marks each
(ii) **Two** services for saving money @ 3 marks ea.
(iii) **Two** financial institutions @ 3 marks each (21) (60)

Q. 5 BUSINESS DOCUMENTS

(A)	<u>Invoice (1477):</u>			
	Date – 2 marks	2		
	Order No. – 1 mark	1		
	Inside Address – 2 marks	2		
	5 columns @ 3 marks each	15		
	Last 5 figures @ 2 marks each	10	(30)	
(B)	<u>Cheque & Counterfoil:</u>			
	Counterfoil			
	First 3 entries @ 1 mark each			
	New balance – 2 marks	5		
	Cheque:			
	5 entries @ 2 marks each	10	(15)	
(C)	<u>Bank Account:</u>			
	3 entries @ 3 marks each	9	(9)	
(D)	Explanation of ‘Department Store’		(6)	(60)

Q. 6 PETTY CASH

(A)	<u>Petty Cash Book:</u>			
	Date columns – Dr 1mark, Cr 1 mark			
	Details columns – Dr 1 mark, Cr 2 marks			
	Voucher No. column – 1 mark	6		
	34 figures @ 1 mark each			
	(Excl. total payments)	34	(40)	
(B)	Correct amount required for imprest		(6)	
(C)	Two explanations @ 7 marks each	14	(14)	(60)

Q. 7 DELIVERY SYSTEMS & MARKETING

(A)	(i) Three reasons @ 4 marks each	12		
	(ii) <u>Calculations:</u> Length of flights – 2 @ 4 marks (workings – up to 4 marks)	8	(20)	
(B)	(i) <u>Calculations:</u> Cost of flights – 2 @ 2 marks	4		
	Full workings – 12 marks	12		
	(ii) Recommendation - 4 marks	4	(20)	
(C)	Five sentences @ 4 marks each		(20)	(60)

Q. 8 CHAIN OF PRODUCTION & ECONOMICS

(A)	(i) Three examples @ 2 marks each	6		
	(ii) Explanation of Secondary Production	8		
	(iii) Four examples @ 2 marks each	8	(22)	
(B)	(i) Explanation of difference – 6 marks Two examples @ 2 each	10		
	(ii) Two explanations @ 5 marks each	10	(20)	
(C)	<u>National Budget:</u> 5 labels @ 1 mark each	5		
	5 figures @ 2 marks each	10		
	Deficit figure 1 mark	1		
	The word “Deficit” 2 marks	2	(18)	(60)

SUPPORT NOTES

JUNIOR CERTIFICATE – BUSINESS STUDIES 2008 – ORDINARY LEVEL

Section A

1 What do the following letters stand for?

PRSI ***Pay Related Social Insurance***

AGM ***Annual General Meeting***

2 Place in alphabetical order: Mary O Donovan, Marie o Doherty, Maeve O Dowd, Myra o Donohue

(i)	Marie O Doherty	
(ii)	Myra O Donohue	
(iii)	Mary O Donovan	
(iv)	Maeve O Dowd	

3 Fill in the two missing P's of marketing in the spaces provided:

<i>Product</i>	<i>Price</i>	PROMOTION	PLACE
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4 Name the currency which is legal tender in each country below:-

<i>COUNTRY</i>	<i>CURRENCY</i>
<i>France</i>	<i>Euro</i>
<i>Japan</i>	<i>Yen</i>
<i>USA</i>	<i>Dollar</i>

5 Describe two uses of a computer in the running of a school

(i) ***Exam results for school use***

(ii) ***Data base of student names and addresses – for school use***

(Also) student reports, reference's, contract details for staff

Drafting school timetable for student/teacher use

6 Which one of the following is a Visible Import for Ireland?

French tourists coming to Ireland on a fishing trip.....

Irish wholesalers buying i-phones from manufacturers in U.S. *.....*

Irish Supporters going to the Olympic Games in China.....

7 The following figures are from the books of Farley Ltd for the year ending 31 Dec 2007
Cash in Bank € 15250, Premises 70000, Machinery 25800, Purchases 63950.

Enter and total the Fixed Assets

Extract from Balance sheet of Farley Ltd as on 31-12-07	
FIXED ASSETS	
Premises	70,000
Machinery	25,800
Total Fixed Assets	95800

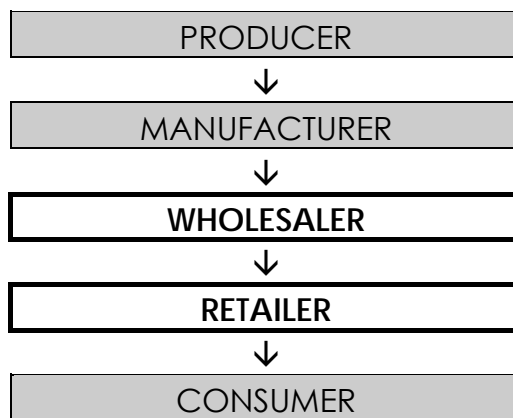
8 Write the most appropriate document name from the following list

INVOICE QUOTATION ORDER STATEMENT DELIVERY NOTE

Two of the documents above do not refer to any of the explanations below

	Document	Explanation
(i)	Quotation	This gives advance information on the price of the goods and the terms of sale
(ii)	Statement	This is a summary of a month's transactions sent by a seller to a customer.
(iii)	Invoice	This shows the quantity, description, price and total cost of the goods purchased

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



10 Column 1 is a list of industrial relations terms. Column 2 is a list of possible explanations for these Match the two lists by placing the letter of the correct explanation under the relevant number :-

1	2	3
D	A	B

11 Indicate which of the following countries are in the European Union by ticking (☐) YES or NO in each case

	YES	NO
POLAND	✓	
ARGENTINA		✓

ITALY	✓	
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12 In each space below, write the most appropriate word from the following list:

LAPTOP HARDWARE MONITOR SOFTWARE MODEM

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

- (i) The programs stored on a computer are called **Software**
- (ii) A common name for a portable computer is a **Laptop**
- (iii) Another name for a visual display unit is a **Monitor**

13 Complete the following cash receipt by calculating (i) the total due and (ii) the amount of change out of €10

LOWCOST STORES Ltd Mullingar	
€	
Bread	1.50
Cheese	1.70
Magazine	1.49
Spaghetti	1.29
(i) TOTAL DUE	5.98
CASH	10.00
(ii) CHANGE	4.02

14 Complete the following sentence:

In Insurance **Indemnity** means you may not make a profit from insurance.

[Compensation will only equal the value of the item at the time of its damage or loss.]

15 A taxi firm preparing its Operating Statement (Income and Expenditure/Profit and Loss Account) and Balance Sheet at the end of its financial year. Show whether each item listed should be in the Operating Statement or in the Balance Sheet

	Operating Statement	Balance Sheet
(a) Telephone Costs	✓	
(b) Bank Overdraft		✓
(c) Petrol and diesel costs	✓	

16 Answer 4 either A or B

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

Dr				Cr			
Date	Details	F	Total	Date	Details	F	Total
2008				2008			
April 1	Balance	b/d	285	Apr 12	Purchases	GL1	195
19	Sales	GL2	370	24	Heating	GL7	220
				Apr 30	Balance c/d		240
			655				655
Apr 30	Balance	b/d	240				

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
2008					
April 1	Balance	b/d			285
12	Purchases	GL1		195	90
19	Sales	GL2	370		460
24	Heating	GL7		220	240

17 From the following Income and Expenditure Account of a club for the year ending 31 December 2007, calculate

The difference between Total Income and Total Expenditure. Indicate whether the balance is a surplus or a deficit

Income and Expenditure Account for year ending 31-12-07	
Total Income	94345
Total Expenditure	89760
SURPLUS	4585

18 In each space below, write the most appropriate word from the following list:

CASH RECOVERABLE OWN COLLATERAL DEBT INSTALMENT

(Two of the words above do not complete any of the sentences below)

- (i) Hire Purchase is a system of paying for goods by **INSTALMENT** but you do not **OWN** them until the final one is paid.
- (ii) A Bad Debt is a **DEBT** which is not **RECOVERABLE**.

- 19 John Hickey received his wages in cash. His employer used the least number of notes and coins possible when putting the cash in John's pay envelope. Using the note/coin analysis slip below, calculate John's total wage:

NOTE/COIN ANALYSIS												
€100	€50	€20	€10	€5	€2	€1	50c	20c	10c	5c	2c	1c
3		2							1		2	

Answer	
TOTAL WAGE	€340.14

Workings
$100 \times 3 = 300.00$
$20 \times 2 = 40.00$
$.10 \times 1 = 00.10$
$.02 \times 2 = 00.04$
Total 340.14

- 20 Complete the following sentence:

One of the legal documents which are prepared when forming a private limited **COMPANY** is called **MEMORANDUM/ARTICLES** of Association.

SUPPORT NOTES

Section B

1. HOUSEHOLD BUDGET

1 (A) HAYES HOUSEHOLD	JUL	AUG	SEP	OCT	TOTAL
PLANNED INCOME	€	€	€	€	€
Jim Hayes - Salary	2,400	2,900	2,400	2,400	10,100
Carol Hayes - Salary	1,950	1,950	1,950	2,200	8,050
Child Benefit	450	450	450	450	1,800
A. TOTAL INCOME	4,800	5,300	4,800	5,050	19,950
PLANNED EXPENDITURE					
<i>Fixed</i>					
House Mortgage	750	850	850	850	3,300
House Insurance	50	50	50	50	200
Health Insurance	150	150	175	175	650
<i>Subtotal</i>	<i>950</i>	<i>1,050</i>	<i>1,075</i>	<i>1,075</i>	<i>4,150</i>
<i>Irregular</i>					
Household Expenses	1,200	700	1,200	1,200	4,300
Transport costs	260	260	260	260	1,040
Education costs	800	850	650		2,300
Light and Heat		100		160	260
Telephone costs	215	90	230	90	625
<i>Subtotal</i>	<i>2,475</i>	<i>2,000</i>	<i>2,340</i>	<i>1,710</i>	<i>8,525</i>
<i>Discretionary</i>					
Birthdays			500	700	1,200
Entertainment	550	550	800	550	2,450
Holiday	800	2,200			3,000
<i>Subtotal</i>	<i>1,350</i>	<i>2,750</i>	<i>1,300</i>	<i>1,250</i>	<i>6,650</i>
B. TOTAL EXPENDITURE	4,775	5,800	4,715	4,035	19,325
Net Cash (A-B)	25	-500	85	1,015	625
Opening Cash	495	520	20	105	495
Closing Cash	520	20	105	1,120	1,120

1 (B) Insurance Premium:	Annual fee paid to insurance company in order to have something insured.
1 (C) One example of health insurance companies in Ireland:	VHI, Quinn/BUPA, Vivas/Hibernian

2. (A)

Hanson Ltd			
Trading, Profit & Loss Appropriation A/c for year ending 31 December 2007			
Sales			170,000
Cost of Sales:			
Opening Stock		23,750	
Purchases	114,550		
Carriage Inwards	1,800		
		116,350	
		140,100	
Closing Stock		42,500	97,600
Gross Profit			72,400
Less Expenditure			
Insurance		7,450	
Wages		33,250	
Heating and Lighting		9,800	
Rent		12,150	
Advertising		1,250	63,900
Net Profit			8,500
Less Dividends			2,200
Reserves			6,300
BALANCE SHEET as at 31 December 2007			
Fixed Assets	Cost	Dep	N B V
Furniture and Fittings			30,000
Motor Vehicles			152,000
			182,000
Current Assets			
Closing Stock	42,500		
Cash in Hand	3,550	46,050	
Less Current Liabilities			
Bank Overdraft		21,750	
Working Capital			24,300
TOTAL NET ASSETS			206,300
FINANCED BY			
Ordinary Share Capital:			
Authorised	250,000		
Issued		200,000	
Reserves		6,300	
CAPITAL EMPLOYED			206,300

2. (B) Rent is the annual fee paid for the use of property which you do not own.

2. (C) The percentage of net profit to cash sales is 5%.

$$8,500 / 170,000 \times 100 = 5$$

3.(A) Example of a Letter:

24 Ross Road
Enniscrone
Co. Sligo

1 March 2008

Mr Michael Byrne
Manager
MB Electrics Ltd
19 Main Street
Sligo

Re: Complaint about television

Dear Mr Glynn

I bought a bought a new Sonic 36 inch flat screen television in your shop this morning.

When I switched it on at home this evening, the sound was perfect but I could get no picture, even though I followed all the instructions in the manual. The television is clearly unfit for its purpose.

As I will not be able to go to Sligo until next Saturday, I will be bringing it back to your shop that day together with my receipt.

I hope it can be repaired immediately. If not, I will be looking for a replacement television or a full refund. These are my legal entitlements.

I look forward to your full attention next Saturday.

Yours faithfully

Raymond O'Driscoll

(B) Credit Card or Laser: e.g.

Paying by **Credit Card** means that goods and services can be purchased without the need for cash or cheques. When the card is swiped at the shop counter machine, or the card details are disclosed over the telephone or on the internet, the goods or services are paid for by the credit card company. A PIN number used as a security measure – it used to be a signature. A monthly statement is sent to the cardholder, who has a further 26 days to pay all his credit card dealings in one payment. If the cardholder clears his/her account each month, no interest or extra charges are payable. If the account is not fully cleared, a high rate of interest applies.

Paying by **Laser** means using a debit card. There is no need for cash or cheque. When the card is swiped at the shop counter machine, the cost of the goods is transferred from the customer's bank account to the shopkeeper's account. PIN Number. A receipt is issued for the transaction. This is cheaper than writing a cheque.


(C) Examples of agencies which protect consumers:

- National Consumer Agency – represents the voice of the consumer, enforces consumer legislation and defends consumer interests at the highest levels of national and local decision-making. It also increases awareness of consumer issues.
- Small Claims Court – deals speedily and cheaply with consumer claims of up to €2,000.
- Consumer Association of Ireland – advice and help for members through monthly magazine, Consumer Choice.
- Trade Associations – set standards for their own members which ensure that consumers will get the best possible service.
- NSAI – National Standards Association of Ireland – sets standard for safety and quality of goods and services which consumers buy.

4.

(A) Amount in euro that Michael Brown would have to send to his :	
Answer: €375.00	Workings: $300 / 0.80 = 375$

(B) Complete the "To send money" Form.

To send money 

Destination (city, country): LONDON Amount: € 375.
Amount in words: Three hundred and Seventy five Euro

Receiver

First Name(s): First John Middle Joe
Last Name: BROWN
Address: APARTMENT 25 CHELSEA
BUILDINGS LONDON W4HFT
ENGLAND Telephone No: (0044) 875447226

Sender

First Name(s): First MICHAEL Middle -
Last Name: BROWN
Address: 12 LAKE ROAD
KILLARNEY
CORKERRY Telephone No: (064) 71733

Will the receiver have valid ID? Yes No If no, provide a Test Question – Limit 4 words

Question: NAME YOUR FAVOURITE TEAM.
Answer: SUNDERLAND

Customer's Signature: Michael Brown
Date: 5th June 2008

Question 4 (continued)

(C)	(i)	Calculate the fee which Michael Brown was charged.	
	Answer: €28.75	Workings:	$200 \times 10\% = 20.00$ $175 \times 5\% = \underline{8.75}$ Fee 28.75

	(ii)	Calculate the total amount he had to hand in to the cashier at An Post.	
	Answer: €403.75	Workings:	$375.00 + 28.75 = 403.75$

(D)	(i)	Give three reasons why people should save money. Examples:	
		(a) To put money aside for emergencies (b) To earn interest on money saved (c) To pay for children's education (d) To buy expensive items like a car or furniture (e) To put a deposit on a house (f) To go on a holiday	

	(ii)	Name two services provided by An Post for saving money. Examples:	
		(a) National Instalment Savings (b) Saving Bonds (c) Saving Certificates	

	(iii)	Name two types of financial institution, other than An Post, in which people may place the money they have saved.	
		(a) Commercial Banks (b) Building Societies (c) Credit Unions (d) Insurance Companies (investment funds)	

5. (A) Invoice

Time Wholesalers Ltd			INVOICE No. 1477	
Carlton Industrial Estate, Drogheda, Co. Louth				
Telephone:	041-7957443			
Fax:	041-7957492	VAT Reg. No. IE 6285531		
e-mail:	timewholesalers@camcor.ie			
		Date:	10 March 2008	
		Your Order No.:	219	
The Purchases Manager Jewellery Dept Dolmen Ltd 12-18 Main St Dundalk Co. Louth				
QUANTITY	DESCRIPTION	CODE No.	PRICE EACH €	TOTAL €
	Timex Mens Watches	WTM 74	40.00	3,600.00
70	Timex Ladies Watches	WTL 92	60.00	4,200.00
80	Casio Digital Watches	WCD 36	22.50	1,800.00
Carriage Paid E & O E		Total (Excluding VAT)		9,600.00
		Trade Discount		1,440.00
		Subtotal		8,160.00
		VAT		1,632.00
		Total (Including VAT)		9,792.00

(B) Cheque and Counterfoil

Date	11 March 2008	93-74-22	
To	Time Wholesalers Ltd	AIB Bank	Date 11 March 2008
Balance	€ 11,500.00	HIGH STREET, DUNDALK, Co. LOUTH	
This Cheque	€ 9,792.00	Pay Time Wholesalers Ltd	or order euro euro euro
New Balance	€ 1,708.00	Nine thousand, seven hundred and	€9,792.00
		ninety two euro only	DOLMEN LTD
		<i>Sarah Parsons</i>	
	800573	800573 937422 79667418	

(C) Bank Account

Dolmen Ltd – Bank Account							
Dr							Cr
Date	Details	F	€	2008	Details	F	€
				March 11	Purchases		9,792.00

OR

Dolmen Ltd – Bank Account					
Date	Details	F	Dr	Cr	Balance
2008			€	€	€
March 11	Purchases			9,792.00	

(D) A **Department Store** is a large retail shop with a number of different sections each selling a different product or service, e.g. furniture, electrical, clothing, all in the one building. Clerys or Arnotts in Dublin are examples.

6. (A)

Petty Cash Book

Dr											Cr
Date	Details	Total	Date	Details	Voucher No.	Total	Postage	Stationery	Cleaning	Repairs	Other
2008		€	2008			€	€	€	€	€	€
Apr 1	Balance	250	Apr 2	Postage	31	15	15				
			4	Writing paper	32	11		11			
			8	Charity	33	20					20
			9	Envelopes	34	18		18			
			11	Window cleaner	35	17			17		
			16	Cleaning materials	36	16			16		
			18	Repairs to filing cabinet	37	14				14	
			21	Office cleaning	38	25			25		
			22	Repairs to desk	39	32				32	
			25	Postage of packet	409	8	8				
			28	Toll charges	41	15					15
			29	Copying paper	42	23		23			
				Total		214	23	52	58	46	35
			30	Balance c/d		36					
		250				250					
30	Balance b/d	36									

(B) How much money will Rita receive from the chief cashier to start the following month with an imprest of €250? **Answer: €14**

(C) **Petty Cash Voucher** Receipt for petty cash payments

Imprest Starting amount each month in petty cash box

Overheads Day to day running expenses of a business

Toll Charges Fees for using certain roads (motorways), tunnels and bridges.

7.

(A)	(i)	Give three reasons why a business person would use air transport. Examples:	
		(a)	Fastest method of transport over reasonable and long distances
		(b)	Many flights per day between major cities
		(c)	Generally run to schedule so less chance of missing important meetings
	(d)	Comparatively cheap, especially if booked in advance	
(A)	(ii)	Calculate how long the flight from Dublin to Brussels takes for each of the airlines?	
		Airline:	Fine Air
		Answers:	2 hrs 40 mins
		Workings:	9.30 – 6.50 = 160 mins.
			Wing Airlines
			2 hrs 50 mins
			10.20 – 7.30 = 170 mins.
(B)	(i)	Calculate the total cost of the flight for Linda with each of the airlines.	
		Airline:	Fine Air
		Answers:	€110.25
		Workings:	
		Fare	30.00
		Airport taxes	32.75
		Booking charge	7.50
		Check in fee	5.00
		Travel insurance	15.00
		Bag check-in charge	20.00
	Total	110.25	
			Wing Airlines
			€98.80
			65.00
			14.80
			1.00
			2.50
			9.50
			6.00
			98.80

(B)	(ii)	On the basis of cost, which Airline would your recommend Linda to fly with?
	Answer:	Wing Airlines

(C)	Complete, in full, each sentence below using the most appropriate explanation.	
	(i)	A market is all the people involved in buying and selling a good or service.
	(ii)	Market research is collecting information about what customers want to buy.
	(iii)	A questionnaire is a list of prepared questions which consumers are asked as part of a survey.
	(iv)	Test marketing is trying out a new product on a small number of consumers.
	(v)	Branding is the use of a name or logo to identify products.

8.

(A)	(i) Give three examples of Primary Production.
	Agriculture, Mining, Forestry, Fishing, Oil Extraction, Quarrying

	(ii) Explain, with the use of an example, what is meant by Secondary Production
	Transforming raw materials into finished goods. Example: car manufacture, watchmaking, baking

	(iii) Give four examples of the Service industry.
	Banking, Insurance, transport, communications, advertising, hairdressing, taxi, repairs, medical services

(B)	(i) Explain the difference between needs and wants. Give two examples of each.
	Needs: Things that people cannot do without.
	Examples of Needs: Food, clothes, shelter.
	Wants: Things that people would like to have if they could afford them.
	Examples of Wants: All luxury items. The latest i-pod.
	(ii) Explain two of the factors of production.
	Land: All things supplied by nature which help in the production of goods and services.
	Labour: All the people who are available for work, who help in the production of goods and services.
	Capital: All the things made by people which help in the production of goods and services, e.g., buildings, machinery.
	Enterprise: This brings together and organises land, labour and capital to produce goods and services in the hope of making a profit. This factor, represented by the entrepreneur, could also make a loss.

(C) National Budget:

National Budget of the Rainland Government for 2008			
INCOME		€	€
Income from PAYE and VAT		5,150	
Income from Excise Duty		3,750	
			8,900
EXPENDITURE			
Health Services Expenditure		3,800	
Education & Science Expenditure		3,350	
Social Welfare Expenditure		2,950	
			10,100
Deficit			- 1,200