

JC Business Studies Ordinary Level Only
EXAMINATION BOOKLET

Candidate's Examination Number



Coimisiún na Scrúduithe Stáit
State Examinations Commission

JUNIOR CERTIFICATE EXAMINATION 2018

BUSINESS STUDIES – ORDINARY LEVEL

TUESDAY 12 JUNE 2018 – 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

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		

Calculators may be used.

Make and Model of Calculator Used:



1. Total of end of page totals	
2. Agg. 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.	

SECTION A

(100 marks)

Answer all 20 questions. Each question carries 5 marks.

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

ATM	
DIRT	

2. Which **one** of the following is a **Visible Import** for Ireland?
(Tick (✓) the correct box.)

Second hand car bought in UK and driven home using ferry.

Irish firms selling woollen jumpers at a trade fair in Norway.

Irish people going to the World Cup in Russia.

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

JACK BEATTY

SAM BEARDSLEY

JOE BEASLEY

NED BEALE

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

4. Complete the following sentence by filling in the missing words:

The _____ is the person who collects



_____ and pays _____

in a **club**.

5. Fill in the **two** missing elements of the marketing mix:

	PRICE		PLACE
--	--------------	--	--------------

6. Joan wishes to buy a notebook. Notebooks can be bought in two sizes:

Notebook A	Notebook B
€2.50	€4.00
	
80 pages	160 pages

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

Answer	
Notebook:	

Workings:

7. A vet is preparing his Operating Statement (Income and Expenditure/Profit and Loss Account) and Balance Sheet at the end of his financial year. Show whether **each** item listed should be in the Operating Statement or in the Balance Sheet. Tick (✓) the correct space in each case.

	OPERATING STATEMENT	BALANCE SHEET
Telephone costs		
Bank overdraft		
Car running costs		

8. The following figures are from the books of Morris Ltd:

Machinery €86,750 Purchases €93,250 Cash on hand €14,800 Premises €244,500

Enter **and** total the Fixed Assets in the following extract from the Balance Sheet of Morris Ltd as at 31 December 2017:

Extract from Balance Sheet of Morris Ltd as at 31-12-2017	
FIXED ASSETS	€
TOTAL FIXED ASSETS	

9. Explain **two** reasons why farmers should keep accounts.

1. _____

2. _____

10. Enda Fahy purchased groceries for **€104.93** at his local shop. He handed the shop assistant **three €50 notes** and received his change. The shop assistant used the least number of notes and coins possible when counting out Enda’s change.

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

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

11. In **each** space provided below, write the correct insurance term for each explanation from the following list:

- | | | |
|--------------------|-----------|----------|
| UTMOST GOOD FAITH | INDEMNITY | ASSESSOR |
| INSURABLE INTEREST | PREMIUM | POLICY |

(Two of the terms above do not refer to any of the explanations below.)

	INSURANCE TERM	EXPLANATION
(i)		The amount paid for insurance
(ii)		The insurance contract
(iii)		Must be truthful when seeking insurance
(iv)		You may not profit from insurance

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

	TRUE	FALSE
Net Wage is equal to Gross Wage plus PAYE, PRSI and USC.		
Net Wage is equal to Gross Wage less PAYE, PRSI and USC.		
Net Wage is equal to Basic Wage less PAYE, PRSI and USC.		

13. The following are meter readings taken from an electricity bill. Calculate the number of units used **and** the total charge. Enter your answers in the appropriate spaces. Show your workings.




Electricity Meter Readings	
Present	34,615
Previous	33,857
No. of units used	
Rate per unit	€0.18
Total Charge	€

Workings:

14. Complete the following Wage Slip, showing Gross Pay, Total Deductions and Net Pay:

Employee	Margaret King		Week 21	25 May 2018	
PAY:	€	DEDUCTIONS:	€	Quality Store Ltd	
BASIC PAY	475.25	PAYE	93.47		
OVERTIME	168.50	PRSI	45.82		
		TRADE UNION	14.50	NET PAY	
GROSS PAY	€	TOTAL DEDUCTIONS	€	€	

15. In **each** of the three spaces provided below, state whether the types of communication in the photos are ORAL, WRITTEN, or VISUAL:

16. Are the following countries members of the European Union (EU)? Tick (✓) the correct box (YES or NO) in **each** case.

	YES	NO
FINLAND		
FRANCE		
NORWAY		
PORTUGAL		
SWITZERLAND		

17. Frank Ryan is bringing his family on holidays to Disneyworld. He has saved €2,250 for the trip. He visits his local bank to exchange his euro for dollars.



The current exchange rate is €1 = \$1.24.

Calculate the amount of dollars Frank will receive for €2,250.

Answer
\$

Workings:

18. 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		
2018			€	2018			€		
May 1	Balance	b/d	825	May 3	Advertising	GL ₄	670		
14	Cash Sales	GL ₂	940	22	Cash Purchases	GL ₃	735		

OR

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

Bank Account					
Date	Details	F	Dr	Cr	Balance
2018			€	€	€
May 1	Balance	b/d			825
3	Advertising	GL ₄		670	
14	Cash Sales	GL ₂	940		
22	Cash Purchases	GL ₃		735	

19. Indicate whether **each** of the following activities is work or employment:
Tick (✓) the correct box in each case.

	Work	Employment
Tidying your bedroom		
Working weekends in a shop		
Doing your homework		

20. **Column 1** shows a list of consumer rights. **Column 2** is a list of consumer problems.
(One consumer problem does not refer to any of the rights.)

Column 1 – Rights	Column 2 – Consumer Problems
1. Repair	A. Retailer exchanges a faulty good with a new one.
2. Replace	B. Retailer returns faulty good to manufacturer.
3. Refund	C. Retailer organises for a faulty good to be fixed.
	D. Retailer gives back money to a consumer for a faulty product.

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

1.	2.	3.

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.

For use with SECTION B – Question 1

(A)

KENNY HOUSEHOLD	JULY	AUGUST	SEPT	OCT	TOTAL
PLANNED INCOME	€	€	€	€	€
Laura Kenny - Salary					
Patrick Kenny - Salary					
Child Benefit					
A. TOTAL INCOME					
PLANNED EXPENDITURE					
<i>Fixed</i>					
House mortgage					
House insurance					
Health insurance					
Subtotal					
<i>Irregular</i>					
Household costs					
Motoring costs					
Telephone costs					
Light and heat					
Education costs					
Subtotal					
<i>Discretionary</i>					
Holiday costs					
Entertainment costs					
Subtotal					
B. TOTAL EXPENDITURE					
Net cash (A – B)					
Opening cash					
Closing cash					

(B)	Explain the term 'Discretionary Expenditure'.		
(C)	Calculate the annual telephone cost for the Kenny household. Show your answer and workings.	Answer: €	Workings:

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 3 (continued)

		For Office Use Only

(B)	Sheila has rights as an employee of AT Insurance Ltd. The company has responsibilities to all its employees, but it also has rights as an employer.			
	(i)	Explain two of Sheila’s rights as an employee.		
		1.		
		2.		
	(ii)	Explain two rights of AT Insurance Ltd as Sheila’s employer.		
		1.		
		2.		

(C)	Sheila has been asked by the shop steward at AT Insurance Ltd to join a trade union. Explain two benefits for Sheila of joining a trade union.			
		1.		
		2.		

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

(A)	(i)	Which government department is responsible for preparing the national budget?	For Office Use Only	
		Answer:		
	(ii)	Give two examples of Justice expenditure.		
		1.		
		2.		
	(iii)	Explain one reason the Government prepares a national budget.		

(B)	(i)	Using all the information given, prepare the national budget for the year 2019.
	(ii)	Indicate whether it is a 'surplus' or a 'deficit' budget.

(i) National Budget for the year 2019				
			€000	€000
	INCOME			
	EXPENDITURE			
(ii)				

For use with SECTION B – Question 4 (continued)

(B)	(iii)	Show the Government’s Planned Current Expenditure in the form of a Bar Chart .
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(C)	Ireland has experienced a rise in economic growth in recent years. Explain two benefits of this rise for the Irish economy.	For Office Use Only	
	1.		
	2.		

For examiner use only:	Total b/f:		Total for Question 4:		Cumulative total c/f:	
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For use with SECTION B – Question 5

(A)	State two points that Conor should consider when choosing a supplier.	For Office Use Only	
	1.		
	2.		

(B) Complete the Invoice:

Lights Ltd		INVOICE No. 375																																																									
Slaney Business Park, Wexford																																																											
Telephone: 053-9435227		VAT Reg. No. IE8277639																																																									
e-mail: lights@gmail.com																																																											
Date: _____																																																											
Your Order No: _____																																																											
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">QUANTITY</th> <th style="width: 40%;">DESCRIPTION</th> <th style="width: 15%;">CODE No.</th> <th style="width: 15%;">PRICE EACH €</th> <th style="width: 15%;">TOTAL €</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr> <td colspan="3" style="padding: 5px;">Carriage Paid E & O E</td> <td style="padding: 5px;">Total (Excluding VAT)</td> <td> </td> </tr> <tr> <td colspan="3"></td> <td style="padding: 5px;">Trade Discount</td> <td> </td> </tr> <tr> <td colspan="3"></td> <td style="padding: 5px;">Subtotal</td> <td> </td> </tr> <tr> <td colspan="3"></td> <td style="padding: 5px;">VAT</td> <td> </td> </tr> <tr> <td colspan="3"></td> <td style="padding: 5px;">Total (Including VAT)</td> <td style="border: 2px solid black;"> </td> </tr> </tbody> </table>					QUANTITY	DESCRIPTION	CODE No.	PRICE EACH €	TOTAL €																										Carriage Paid E & O E			Total (Excluding VAT)					Trade Discount					Subtotal					VAT					Total (Including VAT)	
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For use with SECTION B – Question 5 (continued)

(C) Complete the cheque and counterfoil:

Date		<p>Bank of Ireland 95-26-37</p> <p>Main Street, Gorey, Co. Wexford Date _____</p> <p>Pay _____ or order</p> <p>_____ € _____</p> <p>_____ BRIGHT HOMES Ltd</p> <p style="text-align: center;"></p> <p>74235 74235 952637 19247758</p>
To		
Balance	€ 6,750.00	
This Cheque	€ _____	
New Balance	€ _____	

(D) Enter the cheque payment in the bank account of Bright Homes Ltd:

Bright Homes Ltd – Bank Account							
Dr				Cr			
2018	Details	F	€	2018	Details	F	€

OR

Bright Homes Ltd – Bank Account						
Date	Details	F	Dr	Cr	Balance	
2018			€	€	€	

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) Enter the transaction of 16 April 2018 in the Petty Cash Voucher.

FLAIR Ltd	PETTY CASH VOUCHER No.		
	Date		
Details		Amount	
		€	c
Signature:			

(B)	(i) Explain the term 'imprest'.	For Office Use Only	

Answer Part (B) (ii) on the next page

For use with SECTION B – Question 7

(A)	(i)	Calculate the total sales value of fitness armbands for Stayfit Ltd in County Galway in 2017. Show your answer and workings.	For Office Use Only	
		Answer: €	Workings:	
	(ii)	Calculate the total sales value of fitness armbands for Stayfit Ltd in Connacht in 2017. Show your answer and workings.		
		Answer: €	Workings:	
	(iii)	Give one example of the target market of Stayfit Ltd.		
		Example:		

(B)	(i)	State two reasons why Stayfit Ltd would advertise fitness armbands.		
		1.		
		2.		
	(ii)	Stayfit Ltd is planning to export fitness armbands to the UK. Explain two difficulties Stayfit Ltd might face in exporting to the UK.		
		1.		
		2.		

For use with SECTION B – Question 7 (continued)

(C)	In each space provided below, write the correct term for each explanation from the following list: COUPONS QUESTIONNAIRE SPECIAL OFFER BRAND NAME MARKET RESEARCH SPONSORSHIP <i>(One of the terms above does not refer to any of the explanations below.)</i>		For Office Use Only	
	EXPLANATION	TERM		
	(i) A list of prepared questions which consumers are asked as part of a survey.			
	(ii) A shop notice stating “two for the price of one”.			
	(iii) Firms give money to a sports or cultural event to promote their products.			
	(iv) Used to identify a product to make it well known among the public.			
	(v) Can be collected when purchasing and exchanged for free gifts.			

This area may be used for workings if required.

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

(A)	(i)	State three advantages that Connie gains from running her own business.	For Office Use Only		
		1.			
		2.			
		3.			
		(ii)	State two disadvantages that Connie might have in running her own business.		
			1.		
		2.			

(B)	(i)	State two advantages of a private limited company.		
		1.		
		2.		

For use with SECTION B – Question 8 (continued)

(B) (ii) From the given details, complete the Memorandum of Association.

MEMORANDUM OF ASSOCIATION				
1. The name of the company is				
2. The objects of the company are				
3. The liability of the members is limited.				
4. The company's share capital is €100,000. This is divided into		ordinary shares of		each.
We, the several persons whose names, addresses and descriptions are subscribed, wish to be formed into a company in pursuance of this memorandum of association and we agree to take the number of shares in the capital of the company set opposite our respective names.				
Subscriber's Name	Address	Description	Number of shares taken	
		Director		
		Director		
		Director		
Date:				

(C) From the following list, complete the Form of Business column for **each** of the four businesses shown below:

Sole Trader Private Limited Company Co-operative Semi-State Company

	Business	Form of Business	For Office Use Only	
1.	An Post			
2.	Philip Lynch, Carpenter			
3.	Harvey Glazing Ltd			
4.	Credit Union			

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