



Coimisiún na Scrúduithe Stáit
State Examinations Commission

Junior Cycle Final Examination 2022

Business Studies

Common Level

Monday 13 June Afternoon 1:30 - 3:30

270 marks

Examination Number

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Day and Month of Birth

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For example, 3rd February
is entered as 0302

Centre Stamp

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Question	Ex.	Adv. Ex.
1		
2		
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6		
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18		

Examiner Only	
Total	
Grade	

Advising Examiner only	
Total	
Grade	

Instructions

There are **two** sections in this examination paper.

Section A 15 Questions 90 marks

Section B 3 Questions 180 marks

Answer all questions.

You may only use blue or black pen when writing your answers. You may use pencil for graphs only.

Write your answers in the spaces provided in this booklet.

Additional space is provided at the end of the examination booklet. Label any extra work clearly with the question and part.

Calculators may be used.

Write the make and model of your calculator here:

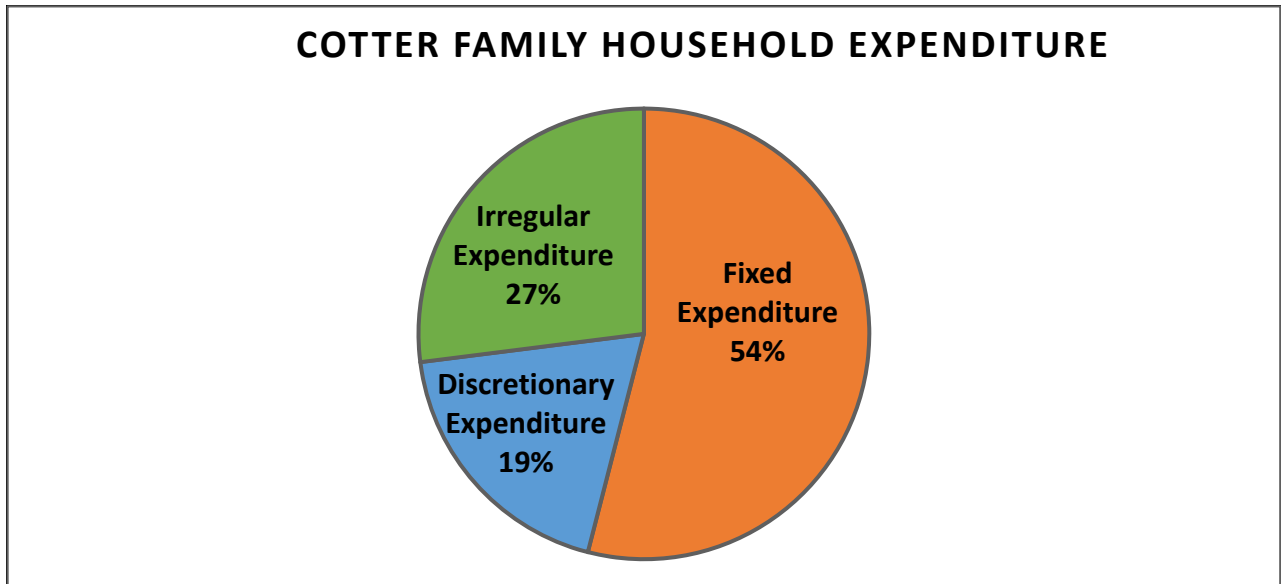


Answer all questions.

All questions carry equal marks.

Question 1

The graph below shows the Cotter family household expenditure.



- (i) Which type of expenditure had the highest percentage of total expenditure in the Cotter household?

- (ii) Give **one** example of each type of expenditure below.

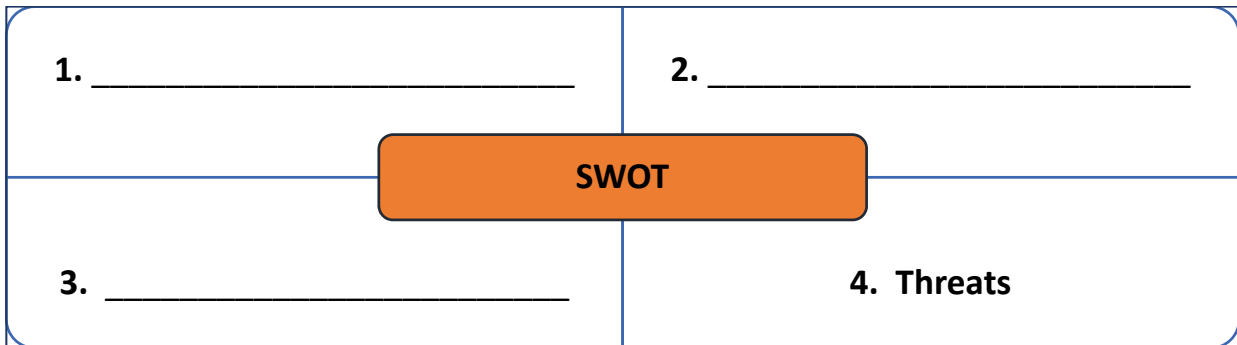
Fixed expenditure:

Irregular expenditure:

Discretionary expenditure:

Question 2

Fill in the missing words below.



Question 3

Using the information given on the invoice extract below, complete the three blank spaces.

	€
Total (excluding VAT)	30,000
Trade discount (10%)	3,000
Subtotal	
VAT (23%)	
Total (including VAT)	

Question 4

Identify **two** benefits of membership of the European Union for Ireland.

1.
2.

Question 5

Meals on Wheels is an example of a social enterprise.



**NATIONAL
MEALS on
WHEELS
NETWORK**

Discuss **two** roles that a social enterprise plays in society.

1.
2.

Question 6

Balance the following bank account and bring down the balance at the end of the month.

Dr		Bank Account				Cr
Date	Details	Total	Date	Details	Total	
2021		€	2021		€	
Oct 1	Balance b/d	550	Oct 10	Wages	300	
12	Cash sales	340	20	Cash purchases	200	

Question 7

When interest rates are high, it encourages saving and when interest rates are low, it encourages borrowing.



(i) What is interest?

(ii) Outline **one** reason why low interest rates encourage borrowing.

Question 8



(i) Identify **two** benefits of shopping locally for the local economy.

1.
2.

(ii) Give **one** reason why a consumer may choose **not** to shop locally.

Question 9

On 31 March 2022, Marian Nowak, owner of Party Cosmetics Ltd, lodged cash sales of €5,200. There was no VAT on these sales. Post these transactions to the relevant ledger accounts below:

Dr			Sales a/c			Cr		
Date	Details	Total (€)	Date	Details	Total (€)			

Dr			Bank/Cash a/c			Cr		
Date	Details	Total (€)	Date	Details	Total (€)			

Question 10

Read the following consumer complaints and then follow the instructions below:

	Complaint
A	My bank has not reduced its loan rates in line with EU regulations
B	I have been waiting four weeks for the electricity company to connect my house to the main electricity supply
C	My mobile phone company keep charging me extra money every month

Match the complaints above with the organisation that the consumer should be referred to by placing A, B and C in the correct box below.

Financial Services Ombudsman	Commission for Communication Regulation	Commission for Energy Regulation

Question 11



Carbon Tax has increased from €33.50 to €41.00 per tonne. The government expect this increase to raise an additional €108 million in revenue for 2022.

(i) What is the social benefit to Irish people of an increase in carbon tax?

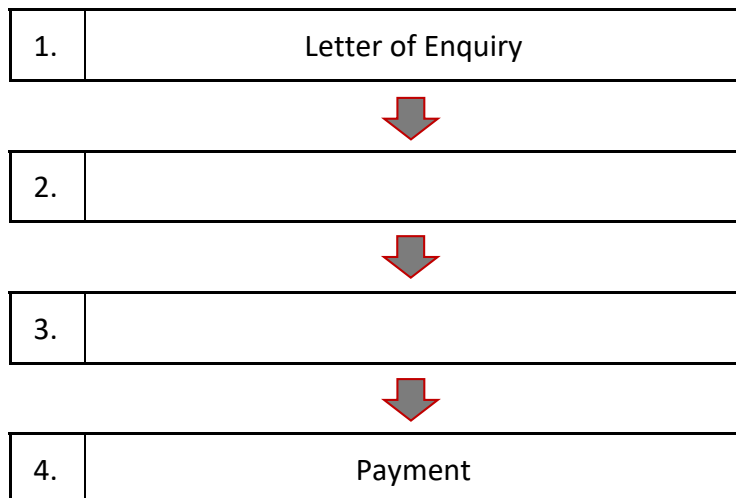
(ii) Identify who will be negatively affected by this increase in carbon tax.

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Question 12

Place the following business documents in the correct order: (Two are completed for you.)

Order, Payment, Letter of Enquiry, Invoice



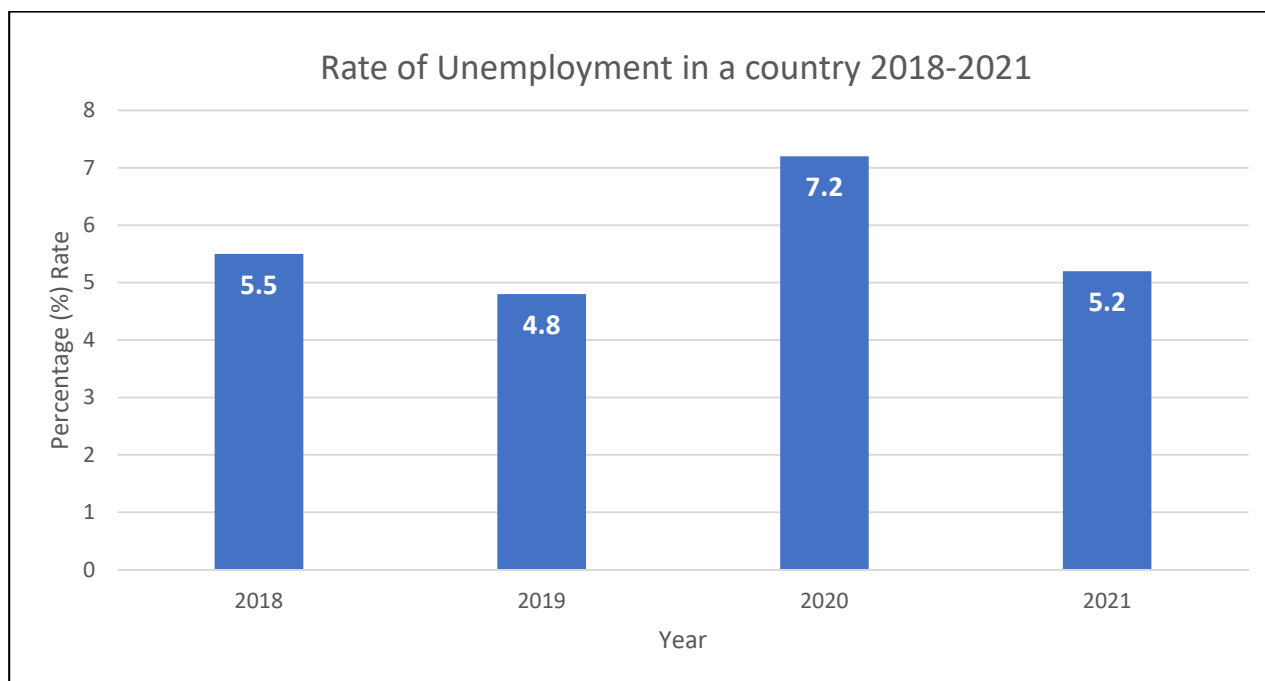
Question 13

Complete the following extract from the Dolan household budget for three months.

Months	July	August	September	Total
Net cash	150	(300)	(150)	(300)
Opening cash	210	360		210
Closing cash		60		

Workings

Question 14



Based on the graph above indicate whether the following statements are true or false.

Tick (✓) the correct box.

Statement	True	False
The unemployment rate was closest to full employment in 2019.		
The unemployment rate decreased in 2020 from the previous year.		
There was a positive trend in the unemployment rate for 2021 when compared with the previous year.		

Question 15

The old country: Get ready for an ageing Ireland.



Adapted from the Irish Times

- (i) Name a government department that will be affected by an older Irish population.

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- (ii) Explain **two** ways this change in age profile will increase government expenditure.

1.
2.

Answer all questions.

All questions carry equal marks.

Question 16

- (a) Lohan Ltd, a large fashion retailer, recently closed its stores and moved all its business to online only, leaving employees without jobs or redundancy packages. This has led to a bitter industrial relations dispute between the business and its former employees.

Industrial Relations

- (i) Explain the term industrial relations.

- (ii) Use your knowledge of industrial relations to match the following sentences to the correct terms by placing a tick (✓) in the box.

	Shop Steward	Labour Court	Trade Union
An organisation that represents workers and protects their rights			
An employee selected by workers to represent them in dealing with the employer			
It investigates disputes and recommends a solution in a process known as arbitration			

(iii) If employer/employee relations breakdown, industrial action may be taken by employees. Explain **two** types of industrial action that employees may take.

1.
2.

(b) While Lohan Ltd have closed all their stores, they continue to sell goods online.



(i) Discuss **two** costs that have been reduced because of Lohan Ltd moving their business to online only.

1.
2.

(ii) An increase in online shopping could reduce impulse buying.

Explain the term impulse buying.

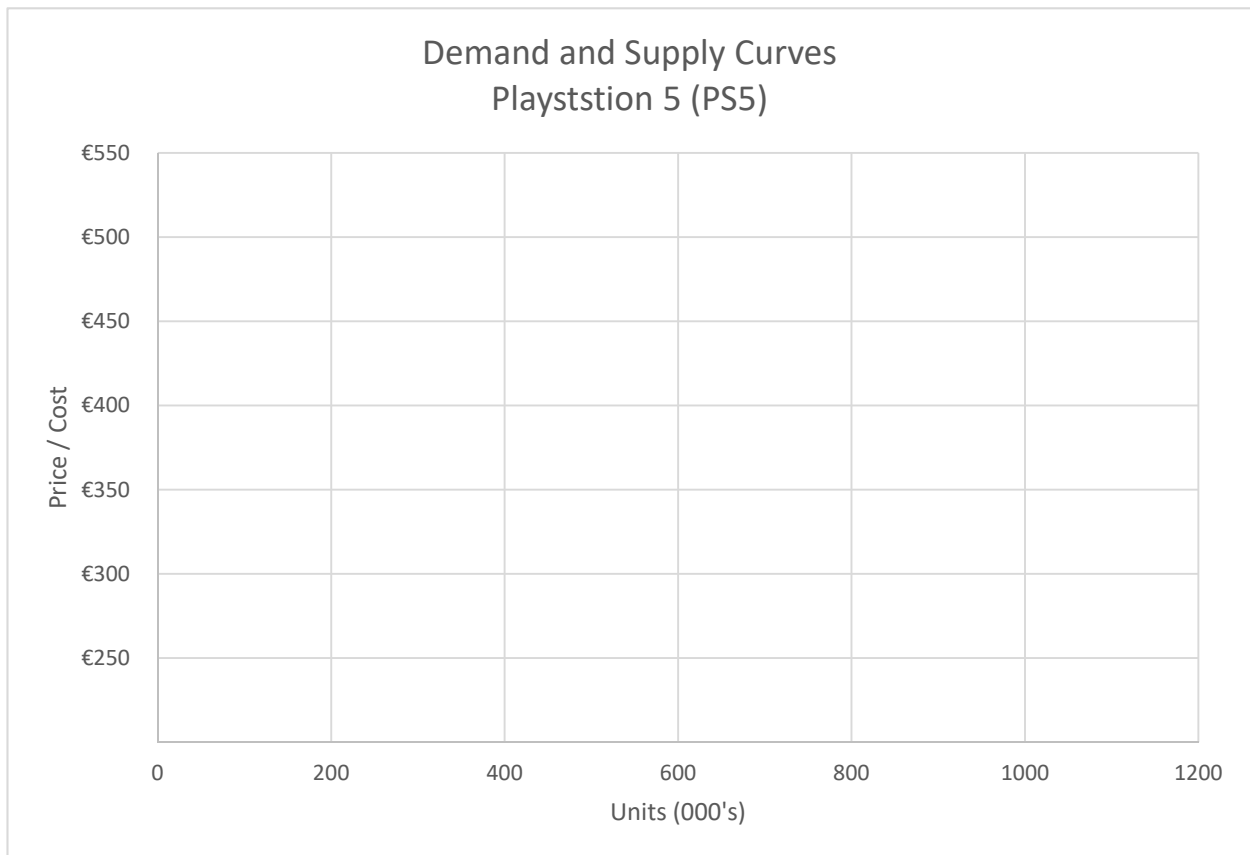
(iii) Outline **two** methods businesses use to encourage their customers to impulse buy when shopping in-store.

1.
2.

(c) Sam, a former Lohan Ltd employee secured a job as a buyer of electrical goods for resale for an electrical retailer. As a buyer of stock for resale, they need to project demand for various products to ensure that the store has the correct quantity to meet consumer demand.

(i) Use the information in the table below to draw the demand and supply curves for the Playstation 5 (PS5).

Price	Quantity Demanded (000's units)	Quantity Supplied (000's units)
€300	1,000	200
€350	800	400
€400	600	600
€450	400	800
€500	200	1,000



(ii) Use your diagram to identify the equilibrium price and equilibrium quantity.

Write your answers in the table below.

Equilibrium Price of the PS5	
Equilibrium Quantity of the PS5	

(iii) The price of substitute goods and complementary goods are factors that affect the level of demand for a product.

Indicate whether the following items are substitutes for or complimentary to a PS5 by placing a tick (✓) in the correct box.

	Substitute	Complimentary
Xbox		
PS5 Controller		
Headset		
Gaming chair		

(iv) When demand for a product remains high despite limited supply, consumers often turn to the black market, also known as the shadow economy.

Indicate which of the following statements are true or false by placing a tick (✓) in the correct box.

Statement	True	False
Participation in the black market is illegal		
The black market is beneficial for businesses in Ireland		

Question 17

The following trial balance was taken from the books of Cadden Ltd on 31/12/2021, the end of its financial year. The authorised share capital is 400,000 €1 ordinary shares.

Trial Balance of Cadden Ltd as at 31/12/2021

	Dr	Cr
	€	€
Cash sales		270,000
Cash purchases	165,000	
Carriage inwards	1,000	
Stock 01/01/2021	6,000	
Telephone & broadband	2,500	
Light & heat	11,500	
Rent	16,000	
Wages	43,500	
Marketing expenses	8,800	
Dividends paid	10,000	
Buildings	220,000	
Equipment	40,000	
Cash in hand	5,700	
Debtors	12,000	
Creditors		9,000
Bank overdraft		5,000
Issued share capital		160,000
Profit and loss balance 01/01/2021		17,000
Nine year loan	_____	<u>81,000</u>
	<u>542,000</u>	<u>542,000</u>

The following additional information is provided on 31/12/2021:

- Stock 31/12/2021, €5,000
- Equipment to be depreciated by 20%

Depreciation working (if required):

(c) Cadden Ltd are planning to install Solar Panels.

(i) Outline the environmental benefit of Cadden Ltd using Solar Panels to generate electricity for their business.



(ii) Cadden Ltd are applying for a grant from the Sustainable Energy Authority of Ireland (SEAI) to help fund the Solar Panels.



Explain the term grant.

(iii) Cadden Ltd are planning to export their products to the United Kingdom (UK) and the European Union (EU).
Outline **two** benefits of International Trade for Irish businesses.

1.
2.

Question 18

(a) Kevin lives with his parents in Emo, Co Laois. He recently passed his driving test and bought a car. He is now considering his motor insurance options.

(i) Read the following definitions of some of the principles of insurance.

	Explanation
A	A profit cannot be made from insurance
B	When the same risk is insured with more than one insurer, they will divide the cost of any claim between them
C	When applying for insurance, all material facts relating to the policy must be disclosed



Match the definitions above with the correct principle of insurance by placing A, B and C in the correct box below.

Utmost Good Faith	Indemnity	Contribution

Kevin is researching different car insurance policies.

(ii) Outline **one** method of research Kevin could use to find the best quote for his insurance policy.

(iii) Based on your answer above, indicate with a tick (✓) whether this method is primary or secondary research, give a reason for your answer.

Primary research		Secondary research	
Reason			

(iv) Outline **one** responsibility Kevin has as a consumer, while shopping for insurance.

(v) Kevin purchased comprehensive insurance, with a policy excess of €500. Unfortunately, Kevin had an accident, which led to damage of €2,500 to his car.

Use the box below to calculate how much compensation Kevin will receive from his insurance company. Show your workings.

Workings:	Answer: €
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(vi) Describe the impact this claim will have on Kevin's insurance premium next year.

(b) Kevin started a new job as a trainee accountant. His salary is €32,000 per annum. He gets paid via Paypath, once a month directly into his current bank account.

(i) Indicate which of the following statements are true or false by placing a tick (✓) in the correct box.

Statement	True	False
A salary is a fixed amount of money received by an employee		
The more hours an employee works, the more wages they receive		

(ii) Outline **two** advantages of Paypath for Kevin.

1.
2.

(iii) Kevin works from home, identify **two** responsibilities he has to his employer.

1.
2.

(c) Now that Kevin has a steady income, he has decided to start saving.

(i) List **three** reasons for saving.

1.
2.
3.

(ii) Interest earned from savings is subject to DIRT. What does DIRT stand for?

D_____	I_____	R_____	T_____
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(iii) Kevin plans to save €8,000 this year. He researches two different options of places to save and found the following information.

An Post



Savings rate 3%
No DIRT

Commercial bank



Savings rate 4%
DIRT 33%

Using the information above, calculate; the interest he will receive for each option **and** calculate the total value of Kevin's savings after one year.

An Post	Commercial Bank
Workings:	Workings:
Interest received: €	Interest received: €
Total savings: €	Total savings: €

Acknowledgements

Images

Page 5 www.mealsonwheelsnetwork.ie

Page 10 www.irishtimes.ie December 2021

Page 23 www.anpost.com

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