



Coimisiún na Scrúduithe Stáit
State Examinations Commission

Junior Cycle 2019

Marking Scheme

Business Studies

Common Level

Note to teachers and students on the use of published marking schemes

Marking schemes published by the State Examinations Commission are not intended to be standalone documents. They are an essential resource for examiners who receive training in the correct interpretation and application of the scheme. This training involves, among other things, marking samples of student work and discussing the marks awarded, so as to clarify the correct application of the scheme. The work of examiners is subsequently monitored by Advising Examiners to ensure consistent and accurate application of the marking scheme. This process is overseen by the Chief Examiner, usually assisted by a Chief Advising Examiner. The Chief Examiner is the final authority regarding whether or not the marking scheme has been correctly applied to any piece of candidate work.

Marking schemes are working documents. While a draft marking scheme is prepared in advance of the examination, the scheme is not finalised until examiners have applied it to candidates' work and the feedback from all examiners has been collated and considered in light of the full range of responses of candidates, the overall level of difficulty of the examination and the need to maintain consistency in standards from year to year. This published document contains the finalised scheme, as it was applied to all candidates' work.

In the case of marking schemes that include model solutions or answers, it should be noted that these are not intended to be exhaustive. Variations and alternatives may also be acceptable. Examiners must consider all answers on their merits, and will have consulted with their Advising Examiners when in doubt.

Future Marking Schemes

Assumptions about future marking schemes on the basis of past schemes should be avoided. While the underlying assessment principles remain the same, the details of the marking of a particular type of question may change in the context of the contribution of that question to the overall examination in a given year. The Chief Examiner in any given year has the responsibility to determine how best to ensure the fair and accurate assessment of candidates' work and to ensure consistency in the standard of the assessment from year to year. Accordingly, aspects of the structure, detail and application of the marking scheme for a particular examination are subject to change from one year to the next without notice.

Junior Cycle Final Examination 2019

Business Studies

Common Level

Suggested Solutions and Marking Scheme

Section A (90 Marks)

All questions carry equal marks

Question 1

(i) €500 deficit

(ii)

- Decrease expenditure: Joan could cut her discretionary expenditure e.g. holidays
- Increase income: Joan could do some overtime to manage her income better
- Shop around for the best deal e.g. switch.ie.

Question 2

- (i) Companies have access to bigger markets. True
- (ii) Consumers have less choice. False
- (iii) Increased trade leads to increased pollution. True

Question 3

Purchases	Source of Finance
House	Mortgage/Long term loan
Car	Hire Purchase/Medium term loan
Groceries	Credit card/Bank overdraft

Question 4

1. Gerard is young/Gerard is 21 years of age.
2. Previous claims: Has Gerard had any accidents before?
3. Penalty points: Has Gerard received any penalty points so far?
4. Gerard's car is old.
5. Type of insurance cover: third party/third party fire and theft/comprehensive.
6. What make and model is Gerard's car?

Question 5

	€	
Total (excluding VAT)	25,000	
Trade discount (12%)	<u>(3,000)</u>	[2]
Subtotal	22,000 O.F	[1]
VAT (23%)	<u>5,060</u> O.F	[2]
Total (including VAT)	27,060 O.F	[1]

Question 6

1. Production costs/ the cost of making the product/the cost of labour/cost of raw materials/cost of selling/advertising the product.
2. Price of competing products/it is important to look at and compare competitor's prices.

Question 7

	Financial	Social
Intel Ireland	✓	
Focus Ireland		✓
Bank of Ireland	✓	

Question 8

1. Access to grants e.g. the EU gives grants to Ireland to improve infrastructure/helps the farming and fisheries industries.
2. Free movement of labour/capital/services within EU countries e.g. EU workers can fill labour shortages in Ireland and Irish workers can work within the EU without restrictions.

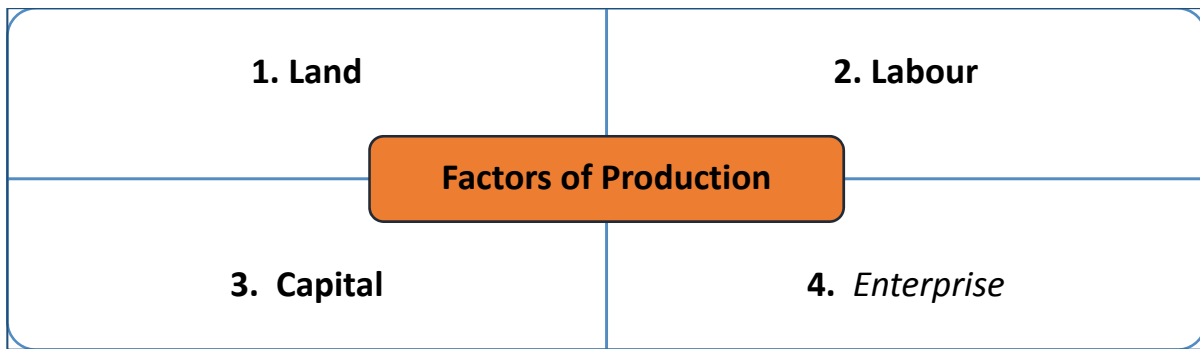
Question 9

(i) Balance of Trade for Ireland	
<i>Workings:</i> €123b - €79b	€ 44 billion

- (ii)** Reason why international trade is important for Ireland.
1. Access to larger markets which increases Ireland's exports to other countries.
 2. International trade increases tax revenue for the Irish Government.
 3. Employment in Ireland increases which reduces social welfare expenditure by the Irish Government.

Question 10

(i) Fill in the missing factors of production below:



- (ii)** **One** skill of an entrepreneur.
1. Human Relations: Entrepreneurs are good with people.
 2. Time Management: Entrepreneurs use their time carefully to achieve their goals
 3. Strategic Thinking: Entrepreneurs apply this process to arrive at key decisions.

Question 11

1. When applying for a loan/grant.
2. Identify the goals and strengths of the business.
3. To provide data about the business to other interested parties.
4. To measure how well the business is achieving its objectives.

Question 12

A source of income associated with **each** of the following people:

Retired person	Pension
Employed person	Wages/Salary
Unemployed person	Job seekers allowance/dole

Question 13

One example of expenditure in the Government Departments below:

Government Department:	Example of expenditure:
1. Health	Building of hospitals
2. Education and Skills	Teacher's salaries
3. Transport, Tourism and Sport	Promote Ireland abroad

Question 14

Complete the trading account of Blake Ltd for the year ended 31/12/2018:

Trading Account of Blake Ltd for the year ended 31/12/2018		
	€	€
Sales		850,000
Less cost of sales		
Opening stock	75,000	
Purchases	450,000	
	525,000	[2]
Less closing stock	115,000	
Cost of sales		410,000 O.F [2]
Gross profit		440,000 O.F [2]

Question 15

(i) Need

(ii) Want

(iii) Need

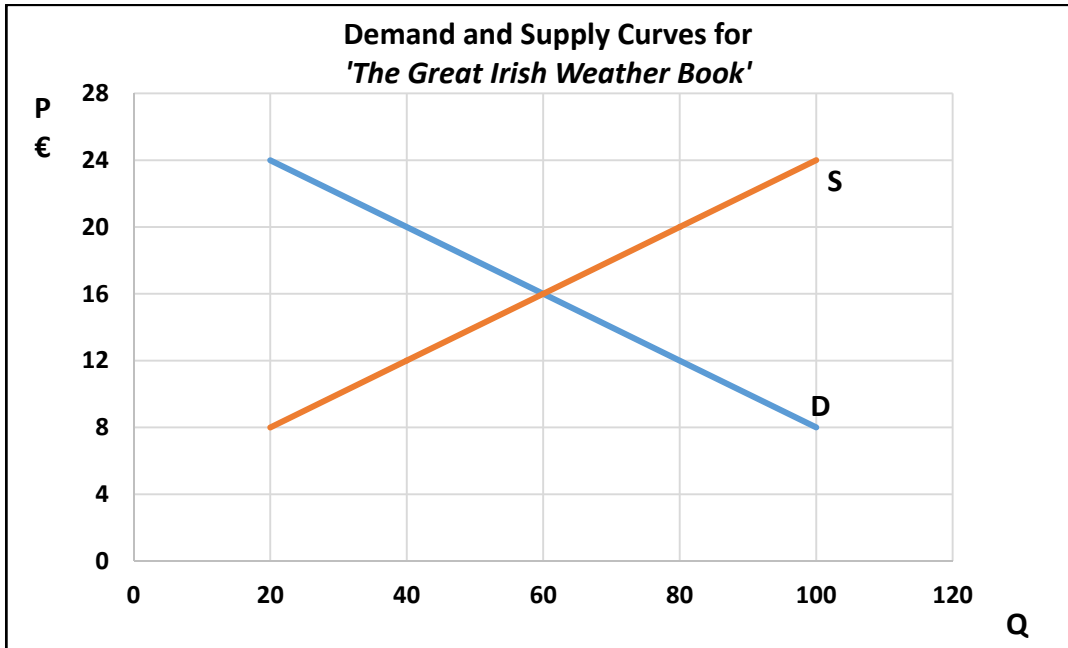
Section B (180 marks)

Answer all questions.

All questions carry equal marks.

Question 16

(a)



Use the above diagram to answer **each** of the following questions.

Write your answers in the spaces provided.

(i) Indicate the quantity supplied of 'The Great Irish Weather Book' at €20.

80 [3m]

(ii) Indicate the quantity demanded of 'The Great Irish Weather Book' at €8.

100 [3m]

(iii) Indicate the equilibrium price of 'The Great Irish Weather Book'.

€16 [3m]

- (iv) Impact of the following have on the demand for books in New Chapter?
Place a tick (✓) in the correct box.

	Increased demand for books in New Chapter	Decreased demand for books in New Chapter
A reduction in the price of books	✓ 3m	
An increase in taxes (VAT)		✓ 3m
Roll out of broadband to all areas in Wicklow		✓ 3m
An Eason's store opening in the town		✓ 3m

- (v) Illustrate how the business could use technology to its advantage.

2 @ 3m

1. E-mail: Speed of communication to consumers
2. Website: Creation of New Chapter's website to support sales online.
3. Social media: To help advertising.
4. EPOS/EFTPOS: To help with payment options.
5. EDI: To help with invoicing and ordering.
6. E-readers: To show customers different methods of reading.

- (vi) Outline **two** possible costs for New Chapter associated with investing in ICT.

2 @ 3m

1. Physical Hardware costs: Buying new computers.
2. Training: Cost of training staff in ICT procedures.
3. Maintenance: Running costs.
4. Software costs: Licenses and computer programs.

(b) (i) Explain **three** things a good consumer should do when buying goods online.

3 @ 3m

1.	Security: Consumers should look for the lock/padlock icon in the URL/password protection/encryption policies.
2.	Payment options: Consumers should look out for secure payment options like PayPal and Verisign.
3.	Cost options: Shop around, consumers should be informed and carry out research by checking comparison websites / the consumer should be fully aware of all extra costs associated with the company on this particular site e.g. delivery costs.
4.	Product: Reviews/merchantable quality/safety/returns.
5.	Legal: Consumers should be fully aware of the websites legal obligation regarding your personal data (GDPR).

(ii)



(c) (i) Outline **two** benefits of the proposed 'latte levy'.

2 @ 3m

1.	Revenue: Increase in government tax revenue.
2.	Environment: The increased cost may encourage consumers to use re-usable cups.

- (ii) Explain **one** other step a consumer could take to be more ethical in their purchasing decisions.

1 @ 3m

1.	Fairtrade e.g. consumers should buy products from companies that pay producers a fair price.
2.	Cheap alternatives e.g. avoid purchasing from shops that get their products from 'sweatshops'.
3.	Recyclable products e.g. when purchasing a product, check that it can be recycled.
4.	Environmentally friendly alternatives e.g. electric instead of petrol/diesel cars.
5.	Factory farmed animals e.g. refuse to purchase products produced in this manner.

- (iii) Outline one advantage and one disadvantage to the consumer of using contactless payments.

Advantage: 1 @ 3m
It is safer as it eliminates the need to carry cash.
Quicker/more convenient than going to an ATM or using cash.
Easier, just tap your card against the reader to pay in seconds.
Disadvantage: 1 @ 3m
There is a risk if the card is stolen as it can be used without a PIN.
Only a €30 spending limit.
Cost of each transaction.

Question 17

(a) (i)

Dr						Analysed Cash Book of Food2Go Ltd							Cr
Date	Details	Bank	Sales	VAT	Capital	Date	Details	Bank	Purchases	VAT	Wages	Electricity	
2019		€	€	€	€	2019		€	€	€	€	€	
01/05	Capital	21,500			21,500	06/05	Wages	3,000			3,000		
04/05	Sales	13,620 O.F	12,000	1,620		15/05	Purchases	6,356 O.F	5,600	756			
						23/05	Electricity	670				670	
						27/05	Wages	2,850			2,850		
						31/05	Balance c/d	22,244 O.F					
		35,120	12,000	1,620	21,500			35,120	5,600	756	5,850	670	
01/06	Balance b/d	22,244 O.F											

16 figures @ 1m (no marks for totals of columns) + 1m for date + 1m for details

(ii) Amount of money in the Food2Go Ltd bank account at the end of the month.

€22,244 O.F [3m]

- (iii) Post all totals and balances from the analysed cash book of Food2Go Ltd to the relevant ledger accounts below.

Allow 1m for Dates

Dr			VAT a/c [1m]			Cr		
Date	Details	Total	Date	Details	Total			
31/05/19	Purchases	756 O.F 1m	31/05/19	Sales	1,620 O.F 1m			
31/05/19	Balance c/d	864 O.F 1m						
		1,620			1,620			
			01/06/19	Balance b/d	864 O.F 1m			

Dr			Capital a/c [1m]			Cr		
Date	Details	Total	Date	Details	Total			
			31/05/19	Bank/Cash	21,500 1m			

Dr			Purchases a/c [1m]			Cr		
Date	Details	Total	Date	Details	Total			
31/05/19	Bank/Cash	5,600 1m						

Dr			Electricity a/c [1m]			Cr
Date	Details	Total	Date	Details	Total	
31/05/19	Bank/Cash	670 1m				

Dr			Wages a/c [1m]			Cr
Date	Details	Total	Date	Details	Total	
31/05/19	Bank/Cash	5,850 4m				

Dr			Sales a/c [1m]			Cr
Date	Details	Total	Date	Details	Total	
			31/05/19	Bank/Cash	12,000 1m	

(b) (i) Outline **two** contributions Food2Go Ltd makes to the area.

2 @ 2m

1.	Provides employment/jobs in their local area.
2.	Likelihood of increased sales in neighbouring businesses.
3.	Pays local rent and rates which are then used in their locality.
4.	Gives sponsorship to local teams e.g. local GAA teams.
5.	Can sponsor certain local amenities/events e.g. local playground/ tidy towns.

(ii) Complete the blanks below:

VAT stands for Value Added Tax [3m]
VAT is charged on goods [2m] and services [2m]
VAT is a source of income for government [2m]

(iii) Explain **one** benefit to Ireland of having a low corporation tax rate.

It attracts foreign transnationals (FDI) to set up in Ireland. These companies provide employment opportunities for Irish workers/this will increase tax revenue for the Irish Government.

7m

Question 18

(a) (i) Differentiate between **volunteering** and **employment** by answering true or false to each of the following statements. Place a tick (✓) in the correct box.

4 @ 3m each

	True	False
An employee is entitled to a fair days pay.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
A volunteer gets paid.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
An employee has legal rights.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
A volunteer must have a third level qualification	<input type="checkbox"/>	<input checked="" type="checkbox"/>

(ii) Outline the **benefits** of volunteering for John.

2 @ 3m

It will boost John's personal satisfaction/ morale/ wellbeing.
John could create a better C.V. which could improve his job prospects in the future.
John can gain valuable experience and learn new skills.
John can develop new friendships from this experience.
By working with people from different cultures and backgrounds
It could help John become more respectful and tolerant of other beliefs.

(iii) Outline **two** rights and **two** responsibilities Ryanair has as an employer.

Rights as an employer:

2 rights @ 3m

1.	To run a business as they see fit within employment legislation.
2.	To hire the most suitable and qualified people to fill the vacancies that may arise.
3.	To dismiss or take other appropriate action against employees due to their conduct or standard of work.
4.	To expect employees to behave in an environmentally friendly way.
5.	To expect that their employees will be loyal.
6.	To expect that their employees will respect the property of the employer.

Responsibilities as an employer:

2 responsibilities @ 3m

1.	To pay a fair day's pay for a fair day's work.
2.	To treat all employees equally and not to discriminate in any way.
3.	To operate a healthy and safe working environment.
4.	To give all their employees a written contract of employment.
5.	To promote policies for sustainable developments.
6.	To pay a fair price for materials and to pay suppliers on time.

(b) Using the details provided, complete Mary's payslip for 31/05/2019.

Payslip			
Employee Name:	Mary Brennan	Date:	31/05/2019 [2m]
Earnings		Deductions	
Basic Wage	€7,000 [1m]	PAYE	€2,765 O.F [4m]
Overtime	€600 [1m]	PRSI	€304 O.F [2m]
		USC	€418 O.F [2m]
Gross Pay	€7,600 [2m]	Total Deductions	€3,487 O.F [2m]
Net Pay		€4,113 O.F [2m]	

PAYE workings box:

$$7,600 \times 40\% [1m] = 3,040 [1m] - 275 [1m] \text{ tax credit}$$

PRSI workings box:

$$€7,600 \times 4\% [1m]$$

USC workings box:

$$€7,600 \times 5.5\% [1m]$$

- (c) (i) Indicate in each case whether the change in the indicators is a good or bad trend for the Irish Economy. Tick (✓) the correct box below.

Economic Indicator	Good Trend	Bad Trend
Unemployment	✓ 4m	
Economic growth		✓ 4m



- (ii) Explain the impact of the trend in **unemployment** on individuals like John and on the economy.

Impact on individuals: 1 @ 2m
Earning a regular income will help individuals like John to pay bills.
There will be more disposable income helping individuals like John to buy luxury goods.
It will be easier for individuals like John to find a job which will improve their standard of living.
Impact on the economy: 1 @ 2m
There will be an Increase in tax revenue for the government
The Irish Government will need to spend less on social welfare payments for the unemployed.
It could provide more funds for an increase in capital spending by the government.

Marking Scheme for Assessment Task (AT)

		Descriptors	Mark Range
Q.1	Title of Presentation		0 mark
	Brief Overview		
	Excellent	Excellent response demonstrating a detailed understanding of new knowledge learned by student	4 marks
	Very Good	Very good response demonstrating a broad understanding of new knowledge learned by student.	3 marks
	Good	Good response demonstrating a reasonable understanding of new knowledge learned by student	2 marks
	Poor	Poor response failing to engage with subject matter in a meaningful way.	0 marks
Explanation of importance of new knowledge			
	Excellent	Excellent response demonstrating a detailed understanding of subject matter.	6 marks
	Very Good	Very good response demonstrating a broad understanding of subject matter.	4 marks
	Good	Good response demonstrating a reasonable understanding of subject matter.	2 marks
	Poor	Poor response failing to engage with subject matter in a meaningful way.	0 marks
Q.2 and Q.3	Excellent	Excellent response demonstrating a detailed understanding of subject matter.	10 marks
	Very Good	Very good response demonstrating a broad understanding of subject matter.	7 marks
	Good	Good response demonstrating a reasonable understanding of subject matter.	3 marks
	Poor	Poor response failing to engage with subject matter in a meaningful way.	0 marks

Explanation of annotation symbols

Annotation Symbol	Explanation
✓	Fully correct answer earns full marks
X	Incorrect answer 0 marks awarded
[Repeated answer [] square bracket used to exclude total
	Partially correct answer, some but not full marks awarded
OF	Candidate's own figure earns marks
	Indicates that the page has been seen by examiner and has no content