**Question 16**

**LO 3.3**

(a) New Chapter is an award winning traditional bookshop located in Tinahely, Co. Wicklow

The demand and supply curve for one of its books ‘The great Irish weather book’ are shown in the diagram below

A screenshot of a computer

Description automatically generated

Use the diagram to answer each of the following questions. Write your answers in the space provided

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

|  |
| --- |
| 80 |

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

|  |
| --- |
| 100 |

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

|  |
| --- |
| €16 |

(iv) What impact would 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 | √ |  |
| An increase in taxes (VAT) |  | √ |
| Roll out of broadband to all areas in Wicklow |  | √ |
| An Eason’s store opening in the town |  | √ |

Link - <https://mrryanjcb.weebly.com/lo-33---one-page-summary.html>

**LO 2.6**

(v) Investing in Information and Communication Technology (ICT) can bring many benefits to a local business like New Chapter. Illustrate how the business could use technology to its advantage

|  |
| --- |
| 1. **E‐mail** - This can be used to speed up communication with consumers and suppliers. For |
| Example a consumer can e-mail to see if they have a particular book and they can get an |
| answer fast |
| 2. **Website** - They can create a New Chapter’s website. This will help them to sell books |
| Online resulting in them increasing their sales and profits. For example Eason’s |
| 3. **Social media** – they could create a Facebook or Instagram page. This will help them with |
| Advertising and promoting their business |

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

|  |
| --- |
| 1. **Physical Hardware costs** - The capital expenditure of buying new computers can be very |
| Expensive for the business. They may also have to buy software and a broadband package. |
| They should complete a cost benefit analysis first to make sure the expense is worth it |
| 2. **Training cost** – Staff will have to be trained on how to use the Technology properly. This |
| Can be expensive. The training might have to be provided during work hours so there will |
| The shop will have to be closed resulting in no sales been made while the training is given |

(b) The number of consumers shopping online is increasing but it appears that many are still not confident about their consumer rights online. A recent survey indicated the following results

**LO 1.9**

Graphical user interface, chart

Description automatically generated

1. Explain three things a good consumer should do when buying goods online.

|  |
| --- |
| 1. **Security** - Consumers should make sure the website is secure before entering any |
| passwords or credit card details. This can be done by looking for the padlock icon in the |
| URL or the letter s after http – the s stand for secure and will look like this https |
|  |
| 2. **Cost options -** The consumer should Shop around and compare prices on different websites |
| They should be informed and carry out research by checking comparison websites. They |
| should be fully aware of all extra costs associated with the company on this particular site |
| e.g. delivery costs. |
| 3. **Product** – the consumer should read reviews left by other consumer about the |
| Product. This will help them decide whether to but or not and if the product is of |
| merchantable quality, safe and if customer had any problem returning the product if they |
| had to. |

Link - <https://mrryanjcb.weebly.com/lo-19---one-page-summary.html>

1. Your friend Deirdre (@deirdre22) has ordered a book online from a business in the European Union. Forty days have passed and the book has not arrived. Write a tweet to @deirdre22 to let her know what agency she should go to for help:

Graphical user interface, text, application

Description automatically generated

Hi Deirdre, go to the website of European Consumer Centre Ireland (ECCI) The Consumer Association of Ireland (CAI) or the Competition and Consumer Protection Commission (CCPC)

**LO 1.7**

Link - <https://mrryanjcb.weebly.com/lo-26---one-page-summary.html>

**LO 3.11**

(c) New Chapter has decided to diversify and start selling take away coffee which is very much in demand by their customers and would also entice passers-by into the bookstore. They are concerned about a new proposal outlined below which appeared in a newspaper.

A screenshot of a computer

Description automatically generated

1. Outline two benefits of the proposed ‘latte levy’.

|  |
| --- |
| 1. **Increased Revenue** – This proposed tax will Increase the tax revenue for the government |
| This will mean the government will have extra money to spend on essential service such |
| As infrastructure or redistribute to people who need money in the form of social welfare |
| protection |
| 2. **Helps the** **Environment** - The increased of 15c for the cup may encourage consumers to use |
| re‐usable cups. This hopefully will decrease the amount of number of cups being thrown out |
| And going to land fill. |
|  |

Link - <https://mrryanjcb.weebly.com/lo-311---one-page-summary.html>

**LO 1.9**

1. Consumers can act ethically by purchasing a reusable coffee cup. Explain one other step a consumer could take to be more ethical in their purchasing decisions.

|  |
| --- |
| **Fairtrade products** - consumers should buy products from companies that pay producers a |
| fair price. This means that the producer will get a fair income for their product and not |
| Exploited. For example paying the coffee bean producer and fair price for the coffee bean |
|  |
|  |
|  |

Link - <https://mrryanjcb.weebly.com/lo-19---one-page-summary.html>

**LO 2.6**

1. There has been a large increase in consumers using contactless transactions to pay for goods and services. Outline one advantage and one disadvantage to the consumer of using contactless payments.

|  |
| --- |
| Advantage |
| **Safer** – The consumer doesn’t need to carry cash with them. This means they will be less |
| Of a target of getting robbed or losing money out of their wallet. It is also more convenient |
| As you can just tap at the checkout and not have to go the ATM before hand |
|  |
| Disadvantage |
| **Stolen Card can still be used** – If the consumers card is stolen or lost it can still be used |
| without a the person using a PIN. This is because you can tap and pay for goods up to the |
| value of €50. |
|  |