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# Junior Cycle

## Business Studies

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### Suggested Solutions

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2022

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Question 16

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## Question 16

LO  
2.4

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

(i) Explain the term industrial relations.

Relationship between the employer and employee - Industrial relation is the relationship that exists between the employers and the employee in a business. Both parties would like to have a positive relationship where they get on well and they are happy in their job. A negative relationship is where one party is unhappy and can lead to a strike

(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.

- Official Strike** - This is when the employees refuse to go to their job. Before an official strike can take place their Trade union must hold a secret ballot and give the employer one week's notice to try and fix the problem
- Work to rule** - this is when workers will only complete the duties that are in their job description and nothing extra. They will follow their contract of employment and that is it

Link - [LO 2.4 - One Page Summary \(weebly.com\)](#)

- (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.

LO
2.6

1. **Less Wages paid** - Because the business has gone online they will not need employees

To work in their shop. This means they will not need to pay wages so their wage bill will

Decrease. This will mean that they will have more profit at the end of the year

2. **No need for rent** - Because they are on-line and have closed all their shops they will not

need premises or to rent shop Space to sell their products. This will reduce the cost of rent

For the business and means they will have more money to invest in a secure website that

Can be updated and maintained by someone who has be proper skills

- (ii) An increase in online shopping could reduce impulse buying. Explain the term impulse buying.

LO
1.2

**Unplanned Expenditure** - Impulse buying is buying items that are unplanned or bought on the

Spur of the moment. These items may not be needed, and they might not be in you budget

So you are unable to buy them. They can also lead to waste because if you don't need the

Item it will probably be thrown out

Link - [LO 1.2 - One Page Summary \(Expenditure\) \(weebly.com\)](#)

LO
2.8

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

1. **Offer promotions** - Provide promotion to customer and make them feel that they are

Getting a good deal and they cant do without the product. This could include buy one get

One half price or 50% off

2. **Get their Attention** - Shops use tactics to get the customer attention by using big

Colourful signs and display to attract them to certain deals. In supermarkets these can be

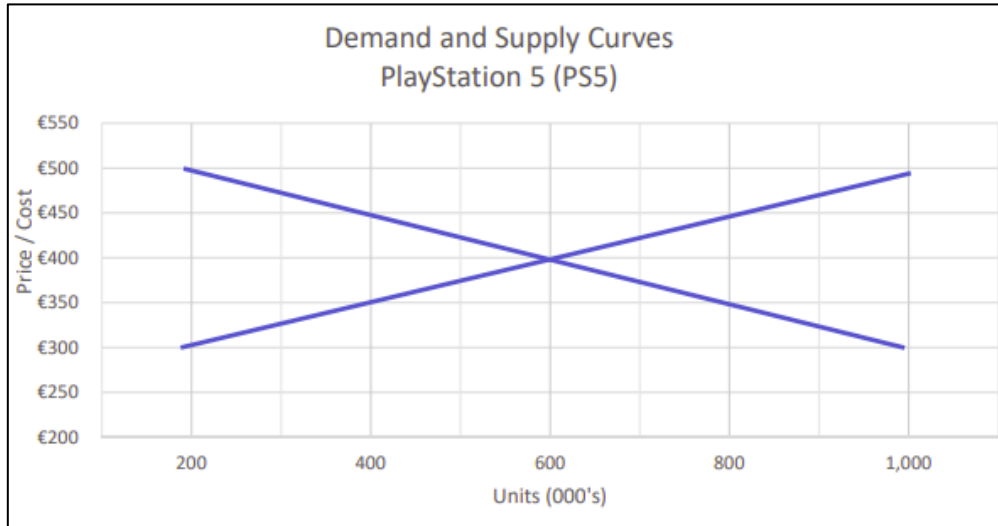
At the end of the isle or big sign with he word Offer in big writing

Link - [LO 2.8 - One Page Summary \(weebly.com\)](#)

- (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).



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

Write your answers in the table below.

Equilibrium Price of the PS5	600,000 Units
Equilibrium Quantity of the PS5	€400

- (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	✓	

Link - [LO 3.3 - One Page Summary \(weebly.com\)](#)

Link - [LO 3.6 - One Page Summary \(weebly.com\)](#)