

## Sample Questions

### Introduction

The sample material presented here has been prepared to support teacher professional development. It offers a broad indication of types and formats of assessment items that might be used to assess the learning outcomes in the Junior Cycle Business Studies specification at a common level, but it is not a complete set of the types and formats that may be used. The items included should be read as examples of individual pieces of assessment material; they do not constitute full or partial examination papers. They are not full or partial questions from an examination paper, neither do they attempt to replicate how the examination paper might be laid out, for example, as an integrated booklet that includes the questions and the space for the student's responses.

The Junior Cycle Business Studies specification and assessment guidelines can be found on [www.curriculumonline.ie](http://www.curriculumonline.ie).

## Question



**Irish mobile phone usage highest in the western world, global stats reveal**

*Irish Independent, August 27 2015*

Explain **one** social cost and **one** environmental cost of using a mobile phone.

Social cost:

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Environmental cost:

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## Question

Here is an extract from John Kelleher's bank statement

Date	Transaction Details	Payments - Out	Payments - In	Balance
01 May 2017	BALANCE FORWARD			945.00
02 May 2017	TESCO	125.00		820.00
02 May 2017	ODEON CINEMA	36.00		784.00
05 May 2017	ATM Withdrawal	50.00		734.00
08 May 2017	SO FLYEFIT GYM	45.00		689.00
12 May 2017	CAFÉ BRAVA	12.98		676.02
14 May 2017	JK MOTORS		1050.00	1726.02
15 May 2017	TRAVEL REPUBLIC	345.00		1381.02
21 May 2017	DD BORD GAIS	53.78		1327.24
22 May 2017	BOI Mortgage	690.00		637.24

Using the bank statement provided, identify **one** example of the following items.

A source of income	
A source of fixed expenditure	
A source of irregular expenditure	
A source of discretionary expenditure	

## Question

Olivia is looking to open a new current account. Because she is paid at the end of every month she often needs an **overdraft** to cover expenses before her salary comes in. This can mean that her payments for electricity and other bills she pays by **direct debit** or **standing order** are paid late. She is looking at opening an account with An Post or Permanent TSB.

She has found the following information online ([www.ccpc.ie](http://www.ccpc.ie)):

	An Post Smart Account	Permanent TSB Explore Account
ATM withdrawal fee:	€0.60	€0.00
Contactless payments:	€0.00	€0.00
Debit card purchase fee:	€0.00	€0.00
In-branch cashier transaction fee:	€0.00	€0.00
Internet transaction:	€0.00	€0.00
Payment fees		
Direct debit Fee:	€0.00	€0.00
Standing order fee:	€0.00	€0.00
Fees for non-payment		
Cheque/direct debit returned from account:	€2.50	€10.00
Standing order unpaid:	€0.00	€10.00
Benefits		
Cashback	Cash back is available at participating retailers	Customers receive €0.10 back on each transaction carried out in store or online with their debit card. Up to €5 cashback can be earned each month.
Emergency cash	Yes - €200 per day available at Post Offices	This facility allows any Permanent TSB customer to withdraw €20, €50 or €100 in emergency cash. There is a €2 charge each time you use this service.
Mobile banking	Yes	Permanent TSB customers can avail of a Mobile Banking App, Text Banking and Text Alerts.
Quarterly fee:	€15.00	€12.00

(a) Explain what is meant by the following three terms:

TERM	EXPLANATION
Overdraft	
Direct Debit	
Standing Order	

(b) Based on the information given, which account, An Post Smart Account or Permanent TSB Explore Account, would you recommend to Olivia? Give **three** reasons for your answer.

Recommendation:

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Reason 1:

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Reason 2:

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Reason 3:

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## Question

Sophie bought a pair of jeans online. Two weeks later when the jeans arrive Sophie notices the zip on the jeans is broken. Sophie wants to return the jeans and get a refund. She is unable to fix the zip and therefore can't wear the jeans.

- (a) Name **one** agency from which Sophie can find information on her consumer rights when shopping online.

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- (b) Is Sophie entitled to a refund? Give a reason for your answer.

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- (c) What steps could Sophie take to seek redress?

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## Question

Brian Byrne is employed as a shop assistant. His normal working week is 35 hours but occasionally he works overtime. His basic wage rate is €420 for a 35-hour week. Overtime is paid time and a half for any hours in excess of this. On the week ended 01/03/16 he worked 40 hours.

Brian pays PAYE at the rate of 20% and USC at 4% of his gross income. His annual tax credit is €3,300. He pays €40 for health insurance and invests €75 in a savings fund. His employer deducts both of these at source.

Here is a copy of Brian Byrne's wage slip.

**Brian Byrne**  
**PPS no. 85674952B**  
**Date: 01/03/16**

Basic Pay	€	
Overtime	€	
<b>Gross Pay</b>		€
Tax Credit		
<b>Deductions</b>		
PAYE	€	
USC	€	
Health Insurance	€	
Savings	€	
<b>Total Deductions</b>		€
<b>Net Pay</b>		€

(a) Complete Brian Byrne's wage slip.

Show your workings clearly in the space below.

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(b) Explain what is meant by the following terms:

TERM	EXPLANATION
Basic pay	
Overtime	
Gross pay	
USC	

## Question

Kate is starting in University College Cork (UCC) in September. She is really concerned about how to best manage her money. Kate's parents have agreed to pay for her accommodation but she has to manage all other expenses herself. Kate has decided to plan her monthly income and expenditure in order to see how she could be better prepared for university life.

As a first step Kate is looking to take out a student loan of €3,000 to help pay for her Student Registration Fee into university. She receives the following information from the Competition and Consumer Protection Commission (CCPC) website, based on AIB and Bank of Ireland's student loans. However, she is worried about the risks involved in taking out a loan in case she cannot pay it back.

	AIB Student Personal Loan	Bank of Ireland Student Loan
<b>Your loan search</b>		
Loan Amount (€)	€3,000.00	€3,000.00
Loan term (years)	1	1
Monthly Repayments (€)	€261.22	€262.76
Total cost of credit (€)	€134.68	€153.16
Total cost of credit (€)	€3,134.68	€3,153.16
<b>Loan details <sup>i</sup></b>		
APR:	8.5%	9.7%
Drawdown options:	Single drawdown	Single drawdown
Flexible repayments options:	Regular agreed repayments over the agreed term, followed by a lump sum payment of the outstanding amount at the end of the term. There is also an option to defer repayments and make a single lump sum payment at the end of the term.	Loan can be repaid weekly, fortnightly or monthly.
Interest-free grace period:	None	None
Rate type:	Variable	Variable
Set-up fees:	None	None

Figure: Sourced from Competition and Consumer Protection Commission (ccpc.ie), October 2017

- (a) Based on the information provided, would you recommend the AIB Student Loan or the Bank of Ireland Student Loan to Kate? Give a reason for your answer.

Recommendation:

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Reason:

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- (b) Describe **two** risks to Kate of taking out a loan to pay for her Student Registration Fee.

Risk 1:

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Risk 2:

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- (c) Kate's parents are giving her an allowance of €150 per month towards her expenses. She has saved €3,600 from her summer job to help fund her first year in college from September until May.

Calculate Kate's planned income per month.

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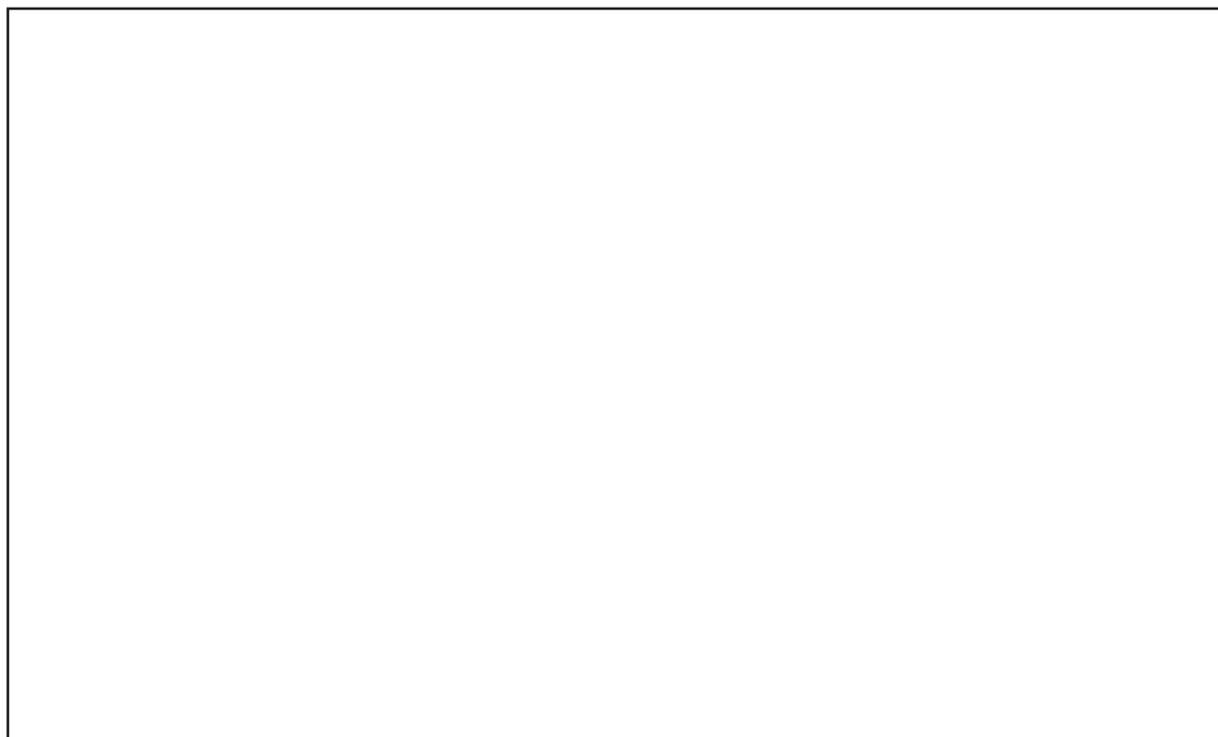
Show your workings clearly in the space below.

As part of her plan Kate is examining her planned monthly expenditure. Using an online spending calculator, her planned expenditure is detailed in the table below:

ITEM	FREQUENCY	TOTAL PER MONTH	CATEGORY (Fixed, Irregular, Discretionary)
Going out	€ 55 per week	€ 220	
Clothes/Shoes		€ 100	
Coffee/Snacks	€ 3 per day	€ 60	
Photocopying		€ 20	
Lunches	€ 7 per day	€ 140	
Phone credit		€ 70	
Cinema/Shows		€ 5	
Loan repayment		€ 260	

- (d) (i) Categorise Kate's expenditure per month on the table provided. Use the following categories:
- Fixed expenditure
  - Irregular expenditure
  - Discretionary expenditure

(ii) Draw a pie chart to illustrate Kate's expenditure per month using the three categories provided



Show your workings clearly in the space below.



- (e) Calculate the difference between Kate's planned income and planned expenditure.

Difference:

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Show your workings clearly in the space below.

- (f) Based on Kate's plan and your findings, recommend **two** steps that Kate could take to address her financial situation. Give a reason for each recommendation.

Recommendation 1:

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Reason:

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Recommendation 2:

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Reason:

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## Question

Tom is a student working part-time for a construction company. He helps with brick-laying and making cement using the cement mixer. He was given a hard-hat and a high-viz jacket when he started and was shown around the construction site. He has had a few small injuries on the site but didn't want to tell his employer as the job is well paid and he wants to work in construction after college. He recently fell off some scaffolding as some of his colleagues were messing on the platform. He is not sure if he has grounds to make a complaint.

- (a) Where can Tom find information on his employment rights? Name **one** option.

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- (b) From your understanding of employment rights, do you think Tom has grounds to make a complaint? Give a reason for your answer.

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## Question



Aoife Lawler and Niamh Sherwin Barry have a highly unusual job: they help fairies relocate into homes and gardens all over the world by producing high-quality wooden Irish fairy doors.

The Irish Fairy Door Company, which currently employs 15 people, started trading in August 2013. Since then it has sold close to 500,000 products globally.

The firm's main markets are Ireland, the United Kingdom and Canada, but it has shipped pieces to over 120 countries



Aoife and Niamh believe that every child should have a fairy living with them. To achieve this, they sell their fairy doors and accessories in thousands of shops around the world. They also provide weekly content online. At the same time as selling the physical products, Aoife and Niamh are developing "Fairy Valley", an online digital world, and a new TV series.

*Source: Irish Times, 12th June 2017*

(a) Why do you think Aoife and Niamh are successful entrepreneurs? Give **two** reasons for your answer.

Reason 1:

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Reason 2:

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(b) The Irish Fairy Door Company sells products overseas. Suggest **two** benefits to the company of selling their products abroad.

Benefit 1:

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Benefit 2:

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- (c) One of the company's main markets is the United Kingdom. Describe **two** reasons in which the company may be affected by Brexit. Brexit is the decision of the United Kingdom to leave the European Union (EU)

Reason 1:

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Reason 2:

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- (d) Aoife and Niamh are supporting their physical products by investing in an online digital world and new TV series. Describe **one** opportunity and **one** challenge for the Irish Fairy Door Company of this marketing plan.

Opportunity:

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Challenge:

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## Question

Fun Kidz is a chain of children's indoor play centres, with 10 branches around the country. They have play areas for babies, toddlers and children up to 12 years old, including an indoor football pitch and disco room.

Fun Kidz is trying to increase its sales and is considering holding school tours in all of its 10 branches. The marketing team has been carrying out market research to find out customers' opinions about the school tours. Each of the 10 play centres asked 50 customers to complete a questionnaire.

Catherine O' Shea, CEO of Fun Kidz, has examined the information collected on the proposed school tours. Responses to questions and customers' personal details will be entered onto an electronic database. The database will be shared with all 10 play centres.

(a) From the list of information sources in the table below, tick two boxes to show which are primary research methods.

- |                         |                          |                  |                          |
|-------------------------|--------------------------|------------------|--------------------------|
| • Customer Comment Card | <input type="checkbox"/> | • Trade magazine | <input type="checkbox"/> |
| • Competitor website    | <input type="checkbox"/> | • Questionnaire  | <input type="checkbox"/> |

- (b) Recommend **one** other target market/group that Catherine could ask to find out opinions about the school tours. Give a reason for your answer.

Target market:

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Reason:

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- (c) Catherine is saving all the information from the questionnaires on the electronic database. Describe **one** advantage and **one** disadvantage of using electronic databases to store information.

Advantage:

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Disadvantage

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It is three months later and Catherine has noticed bookings for the school tours are slow. Catherine is thinking about revising the promotional strategy. Feedback received shows that customers don't know where to find the information on the school tours. The Fun Kidz webpage for promoting its school tours is shown in the picture below. Catherine thinks that the webpage needs to be improved in order to attract more bookings and is thinking of adding new features to make it more attractive.

HOME	LOCATIONS	FACILITIES	CONTACT
<h1><b>FUN KIDZ</b></h1> <h2><b>BOOK YOUR SCHOOL TOUR NOW</b></h2> <p><b>Price: €7.50 PER CHILD</b></p> <p><b>Different Packages available for crèche groups, play school, scouts, sports teams and summer camps.</b></p> <p><b>We have:</b></p> <ul style="list-style-type: none"><li>• <b>Interactive play equipment - including slides, ball pools, rope climbs, hopscotch etc.</b></li><li>• <b>Indoor football pitch.</b></li><li>• <b>Safe separate areas for different age groups.</b></li><li>• <b>A disco room</b></li></ul> <p><b>For more information or to make a booking contact Catherine on (01) 4538465</b></p>			

- (d) Catherine thinks the web page needs to be improved to attract more bookings and is thinking of adding new features.

Recommend **two** features do you think that she should add. Give reasons for your your answer.

Feature 1:

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Reason:

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Feature 2:

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Reason:

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(e) Other than updating the web page, recommend **two** other methods through which Catherine could promote the Fun Kidz school tours to increase sales. Give reasons for your answer.

Method 1:

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Reason:

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Method 2:

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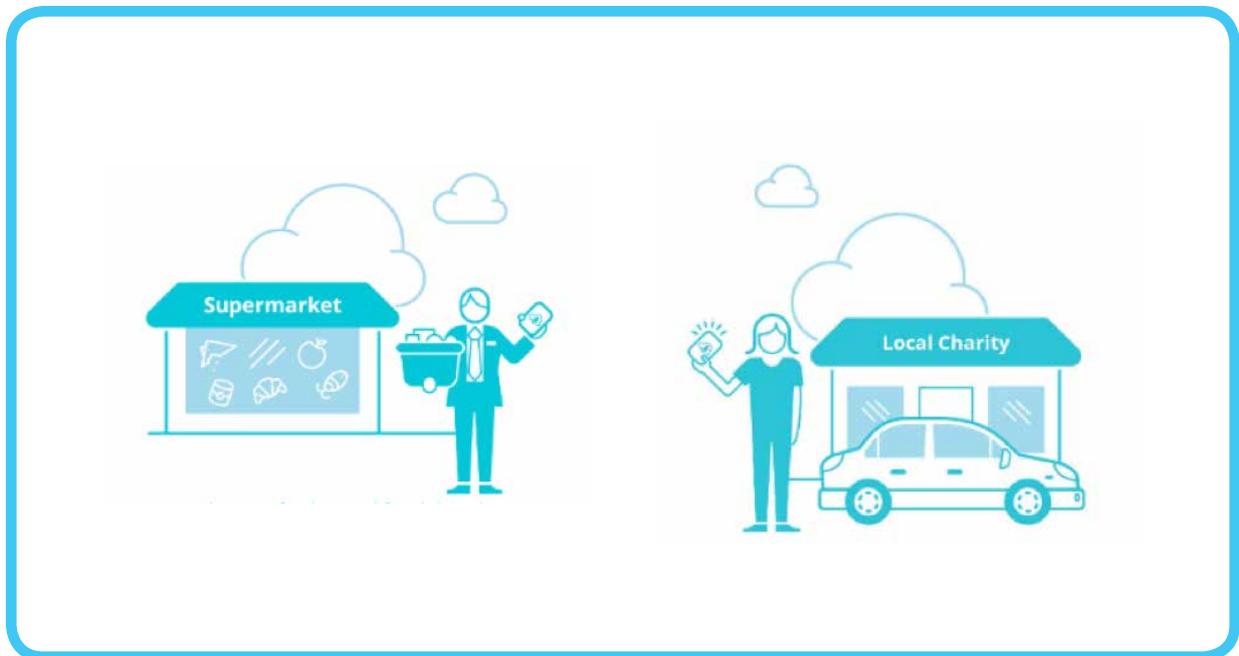
Reason:

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## Question

FoodCloud is a social enterprise. FoodCloud connects businesses that have too much food to charities in their communities that have too little. Using FoodCloud's technology platform businesses can post a description of their surplus food, which is sent as a text message to a charity. The charity can then respond to the text to accept the donation, and then collect the food from the store. Food Rescuers are teams of committed volunteers who dedicate a small amount of time every month to help the charity collect the food from the retailer and bring it to the charity that needs it.



*Figure: Information sourced from Changex.org, image sourced from Food.Cloud*

- (a) FoodCloud is a social enterprise. Explain what is meant by the term **social enterprise**?

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- (b) FoodCloud depends on teams of volunteers, called Food Rescuers, to help the charities to collect food. Describe **two** differences between employees and volunteers.

Difference 1:

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Difference 2:

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- (c) Evaluate **one** economic benefit, **one** social benefit and **one** environmental benefit FoodCloud has on local communities?

Economic benefit:

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Social benefit:

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Environmental benefit:

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(d) FoodCloud uses a technology platform to connect businesses to charities. Describe **one** benefit and **one** cost of this technology to FoodCloud.

Benefit:

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Cost:

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## Question

Avonmore has kicked off a major promotional campaign for its Protein Milk. The target market for Avonmore's Protein Milk is health conscious men and women aged 15 – 35. The promotional campaign will run in partnership with the sporting organisations, GAA (Gaelic Athletics Association) and GPA (Gaelic Players Association). The campaign includes TV, online and outdoor advertising and packaging.

- (a) Explain what is meant by the term **target market**?

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- (b) Here is the packaging on a carton of Avonmore Protein Milk.

Do you think the packaging is effective? Give **two** reasons for your answer.

Reason 1:

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Reason 2:

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(c) Explain why you think Avonmore would partner with a sporting organisation like the GAA to promote its protein milk?

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The aim of Avonmore's promotional campaign is to increase the demand for its Protein Milk.

(d) If the campaign is successful and demand increases what you would expect to see happen to the price and the quantity supplied of its Protein Milk.

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Explain why you think this will happen.

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Draw a diagram to show the changes you expect to see



## Question

Here is the invoice from Sports Style Ltd. to Danny's Surf Shack.



**SPORT STYLE LTD**

**INVOICE**

Karen Thompson,  
 Sports Style Ltd.  
 Main Street,  
 Enniscorthy,  
 Co. Wexford

Danny's Surf Shack,  
 Lahinch,  
 Co. Clare.

Date of Invoice: 01/01/2017  
 Invoice number: 52  
 VAT registration number: 5685  
 VAT rate charged on supply: 23%

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT (€)
35	Wetsuits	95	
30	Hoodies	22	
40	Flip flops	18	
40	T shirts	15	
		SUBTOTAL (excluding VAT)	€
		DELIVERY CHARGE	€ 50.00
		DISCOUNT 20%	€
		V.A.T @ 23%	€
		TOTAL	€

**BALANCE DUE:** The amount owed plus VAT  
 Payments to be made within 30 days of invoice date  
 Bank account details: IEFOI90689545859635  
 Sort code: 906895  
 Account number:45859635

- (a) Based on the information provided, calculate what is owed by Danny's Surf Shack to Sports Style Ltd. and fill in the calculations in the invoice provided.

Show your workings in the box below.

- (b) Explain the purpose of an invoice for the seller, Sports Style Ltd.

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- (c) Describe **two** advantages of using an electronic invoice for Sports Style Ltd.

Advantage 1:

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Advantage 2:

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## Question



Maria Jacobs worked for a large clothes retailer for ten years. When Maria had a baby five years ago she spotted an opportunity in the market to make personalised baby clothes and accessories. Maria decided to set up her own business called 'Knits & Names'. The business sells personalised hats, scarves, gloves, babygros and blankets for children.

The customer can choose what designs they want from a catalogue and the child's name is included in the design. The target market is parents who want personalised clothes for their children or who want to buy personalised gifts for family and friends.

The products are sold from a stall at a weekly market in her home town. Maria had prepared the following cash budget (cash flow forecast) for the next few months. She wants to take advantage of the Christmas market and increase her sales in the business from September to December. She has observed that the business has the potential to grow, in terms of sales revenues and market share. She has come to you for advice.

- (a) Explain to Maria the importance of managing the cash flow of a business.

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**Table: Cash Budget (Cash Flow Forecast)**

	SEPT	OCT	NOV	DEC	TOTAL
<b>RECEIPTS</b>	€	€	€	€	
Cash sales	4,025	2,700	4,500	5,750	
Capital		2,000			
Grant	1,000	1,000	1,000	1,000	
<b>TOTAL RECEIPTS</b>					
<b>PAYMENTS</b>					
Rent of stall	250	250	250	250	
New equipment		1,750			
Purchases	1,100	3,500	2,800	1,200	
Wages and overheads	1,000	1,000	1,000	1,500	
Administration costs	800	500	500	500	
<b>TOTAL PAYMENTS</b>					
Net Cash Flow					
Opening Cash	2,000				
Closing Cash					

With reference to the Table (above), complete the cash budget (cash flow forecast) for Maria. Show your workings clearly in the space provided.

- (b) Based on Maria's cash budget (cash flow forecast)
- a. Explain **one** aspect in which the cash flow of her business is doing well
  - b. Recommend **one** aspect in which the cash flow of her business could be improved.

Maria's cash flow is doing well in the following aspect:

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Maria's cash flow could improve in the following aspect:

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Maria wants to grow her business in terms of sales revenue and market share. She wants to develop a marketing plan in order to better promote her goods. Maria decides to prepare a questionnaire to give to customers visiting the weekly market in her home town. She wants to know where customers find out information about the goods and services they buy. She hopes this information will show how she can better promote and advertise her products.

- (c) Prepare a questionnaire for Maria to give to customers visiting the weekly market. Use the template provided below and include a minimum of **two** open-ended questions and **two** closed-ended questions.



## KNITS AND NAMES

**Stall 18: Town Market**



**Please tick the appropriate box:**

**1. Which age group are you in?**

**(a) 15 – 29 years**

**(b) 30 – 44 years**

**(c) 45 – 60 years**

**2.**

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**3.**

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**4.**

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**5.**

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**6.**

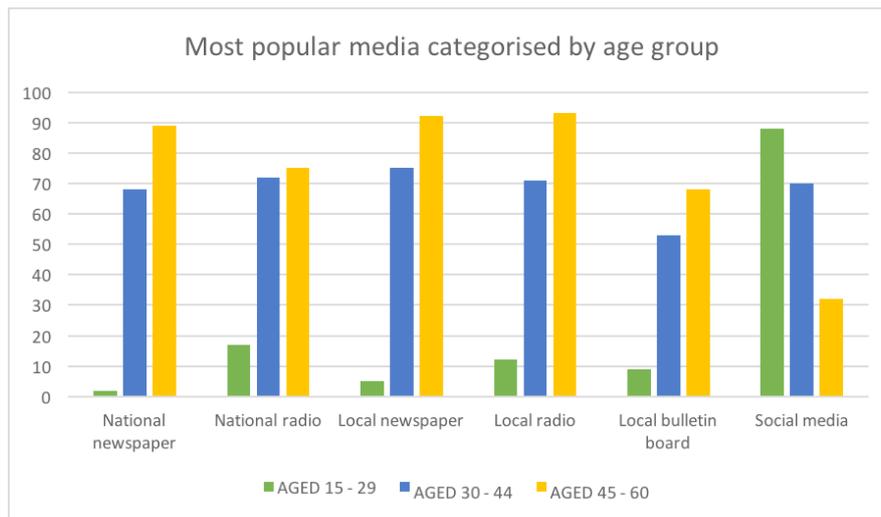
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**Thank you for taking time to complete this questionnaire**

Maria is analyzing the findings from her research. The questionnaire showed how many of the customers visiting the weekly market used different media to find out about goods and services. She draws a graph of her data from the questionnaire.

Here is a graph showing the most popular media customers used categorised by age group:



- (d) Suggest **two** ways that Maria can use this data from her questionnaire to better promote her products and increase sales revenue and market share in the **short term**. Give a reason for your suggestions.

Suggestion 1:

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Reason:

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Suggestion 2:

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Reason:

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- (e) Recommend **one** way that Maria can use this data to increase sales revenue and market share in the **long term**. Give a reason for your recommendation.

Recommendation:

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Reason:

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## Question

The Greenhouse Power Company just began trading on the 1st of May 2017. The company was established with a **Capital Investment** of **€25,000**. This money was invested into the company by the owner, John Small. The €25,000 was placed into the new company's **bank account**.

The following **payments** were **made by Greenhouse Power Ltd.** during the month of March.

INVOICE				
To: Greenhouse Power				
From: Glass Supplies Ltd.				
Date: 3rd May 2017				
<b>PAID</b>				
Qty	Item	Cost	VAT	Total
6	Crates	€100	€23	€123
4	Boxes	€200	€46	€246
Total		€300	€69	€369
E&OE		Invoice Number: 001		

INVOICE				
To: Greenhouse Power				
From: Eddies CLG Ltd.				
Date: 9th May 2017				
<b>PAID</b>				
Qty	Item	Cost	VAT	Total
6	Bolts	€400	€92	€492
4	Boxes	€150	€34.50	€184.50
Total		€550	€126.50	€676.50
E&OE		Invoice Number: 002		

INVOICE				
To: Greenhouse Power				
From: Eddies CLG Ltd.				
Date: 17th May 2017				
<b>PAID</b>				
Qty	Item	Cost	VAT	Total
6	Crates	€200	€46	€246
Total		€200	€46	€246
E&OE		Invoice Number: 003		

Monthly Rent Bill				
To: Greenhouse Power				
From: Warehouse Ltd.				
Date: 24th May 2017				
<b>PAID</b>				
Qty	Item	Cost	VAT	Total
1	Rent	€1000	€130	€1130
Total		€1000	€130	€1130
E&OE		Invoice Number: 004		

WAGES PAYS LIP	
<b>Date</b>	28-05-2017
<b>Name</b>	Henry McGinty
Basic Pay:	€3,300
Overtime:	€600
<b>Gross Pay:</b>	<b>€3,900</b>
PRSI:	€400
USC:	€320
<b>NET Pay:</b>	<b>€3,180</b>

HINT: Use this number in your cashbook

The following receipts issued by Greenhouse Power Ltd record the money received by Greenhouse Power Ltd:

CASH RECEIPT	
VAT No: 5963000W www.greenhousepower.ie	
Greenhouse	€2,000
Labour	€900
<b>TOTAL</b>	<b>€2,900</b>
VAT:	€667
<b>Paid by Cash:</b>	<b>€3,567</b>
Date: 14-05-2017	

CASH RECEIPT	
VAT No: 5963000W www.greenhousepower.ie	
Greenhouse	€4,500
Labour	€1,300
<b>TOTAL</b>	<b>€5,800</b>
VAT:	€1,334
<b>Paid by Cash:</b>	<b>€7,134</b>
Date: 21-05-2017	

CASH RECEIPT	
VAT No: 5963000W www.greenhousepower.ie	
Greenhouse	€2,950
Labour	€1,050
<b>TOTAL</b>	<b>€4,000</b>
VAT:	€920
<b>Paid by Cash:</b>	<b>€4,920</b>
Date: 25-05-2017	

CASH RECEIPT	
VAT No: 5963000W www.greenhousepower.ie	
Greenhouse	€3,000
Labour	€1,150
<b>TOTAL</b>	<b>€4,150</b>
VAT:	€954.50
<b>Paid by Cash:</b>	<b>€5,104.50</b>
Date: 27-05-2017	





## VAT Account

DR			CR		
Date	Details	Amount	Date	Details	Amount

## Rent Account

DR			CR		
Date	Details	Amount	Date	Details	Amount

## Wages Account

DR			CR		
Date	Details	Amount	Date	Details	Amount

- (c) Using the information from your Analysed Cash Book and your General Ledger, complete the following Trial Balance for Greenhouse Power Ltd.

### Trial Balance

Account Name:	Debit	Credit
Capital Account		25,000
Bank Account		
Purchases Account		
Sales Account		
VAT Account		
Rent Account		
Wages Account		
Balance		

- (d) Explain the following terms:

Term	Explanation
Capital	
Analysed Cash Book	
Invoice	
General Ledger	
Payslip	
Trial Balance	

- (e) From your understanding of the completed Cash Account, do you think the company is better off at the end of the month of May? Give a reason for your answer.

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- (f) Greenhouse Power Ltd is considering purchasing its own warehouse rather than renting one. John Small has identified a new premises which costs €125,000 and he has been told by his bank that he can borrow the money for the purchase. Monthly repayments will be €2,000.

In the **short term**, would you recommend that Greenhouse Power Ltd. get the loan and buy the new premises or should they continue to rent? Give **one** reason for your answer.

Borrow and Buy  Continue to Rent

Reason 1:

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## Question

Ben's Bakehouse Ltd. specializes in cakes for birthdays, weddings and other special occasions. The following Trial Balance was taken from the books of Ben's Bakehouse Ltd. on 31 December 2016, the end of its financial year. You are given the following information as on 31 December 2016:

- Closing stock €5,000
- Depreciation: Equipment 10% and Motor Vehicles 10%

Trial Balance of Ben's Bakehouse Ltd as at 31 December 2016	Dr	Cr
	€	€
Sales		111,500
Purchases	50,800	
Carriage inwards	240	
Wages	28,000	
Advertising	9,200	
Light and Heat	2,000	
Insurance	4,500	
Telephone	800	
Opening Stock	700	
Loan		30,000
Bank	10,000	
Debtors and Creditors	8,000	8,480
Reserves (profit and loss balance)		17,260
Issued share capital: €1 ordinary shares		100,000
Equipment	18,000	
Motor Vehicles	30,000	
Buildings	105,000	
	267,240	267,240

- (a) From the information given, complete an Income Statement (Trading, Profit and Loss account) for Ben's Bakehouse Ltd. for the year ended 31st December 2016.

Income Statement of Ben's Bakehouse Ltd. for year ended 31/12/2016		
	€	€
Sales		
Less cost of sales		
Opening stock		
Purchases		
Carriage inwards		
Cost of goods available for sale		
Less closing stock		
Cost of Sales		
Gross profit		
Less expenses		
Wages		
Advertising		
Light and Heat		
Insurance		
Telephone		
Depreciation		
Total expenses		
Net profit		
Reserves		
Profit and loss balance		

- (b) From your Income Statement, would you consider Ben's Bakehouse Ltd to be in a good financial position in relation to its income and its expenditure? Give a reason for your answer.

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- (c) Recommend **one** way that Ben's Bakehouse could improve its financial position in relation to its income and expenditure in the next financial period. Give a reason for your answer.

Recommendation:

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Reason:

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- (d) From the information given, complete a Statement of Financial Position (Balance Sheet) for Ben's Bakehouse Ltd. for the year ended 31st December 2016.

Statement of Financial Position of Ben's Bakehouse Ltd as on 31/12/2019			
	Cost €	Depreciation €	Net Book Value €
<b>FIXED ASSETS</b>			
Equipment			
Motor Vehicles			
Buildings			
<b>Total Fixed Assets</b>			
<b>CURRENT ASSETS</b>			
Closing stock			
Bank			
Debtors			
<b>CURRENT LIABILITIES</b>			
Creditors			
<b>Working Capital</b>			
<b>Total Net Assets</b>			
<b>Financed by</b>	Authorised	Issued	
Share capital	120,000	100,000	
Reserves: profit and loss balance			
<b>LONG-TERM LIABILITIES</b>			
<b>Loan</b>			
<b>Capital employed</b>			

- (e) From your Statement of Financial Position, would you consider Ben's Bakehouse Ltd to be in a good financial position in relation to its assets and liabilities? Give a reason for your answer.

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- (f) Recommend **one** way that Ben's Bakehouse could improve its financial position in relation to its assets and liabilities in the next financial period. Give a reason for your answer.

Recommendation:

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Reason:

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## Question

**The economic cost of sea and river flooding will treble unless climate change is tackled, a European Commission report has warned.**

*Irish Independent, 26 June 2014*

Explain **two** economic costs of flooding to the Irish economy

Economic cost 1:

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Economic cost 2:

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## Question

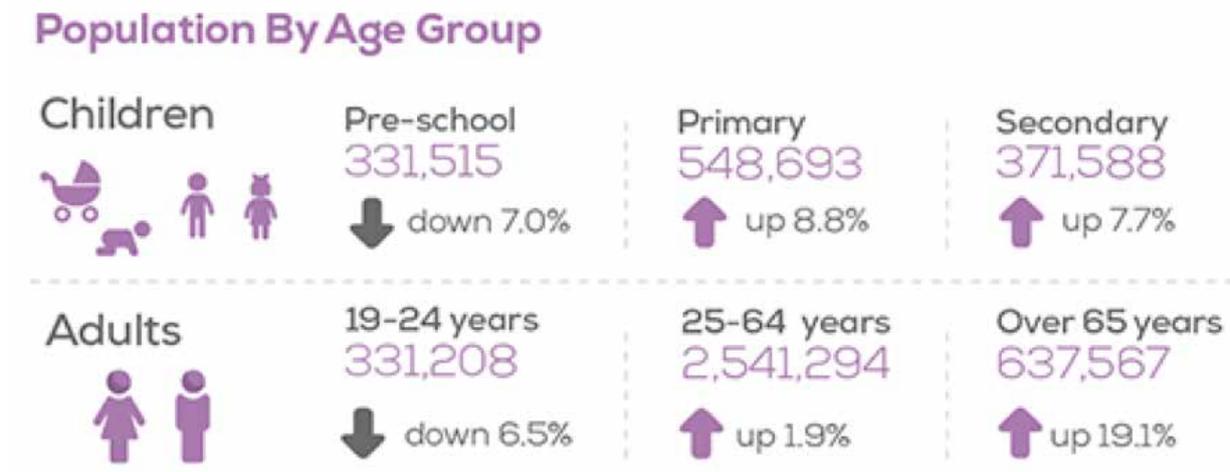


Figure: Sourced from CSO.ie, August 2017

With reference to the data above, explain **two** ways in which this data may impact on government **spending** in the future.

1:

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2:

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## Question



IRELAND has officially submitted its bid to host the 2023 Rugby World Cup with Sport Minister Shane Ross saying the Irish have a "very, very good chance" of hosting the tournament. Mr Ross said the hosting of the event would prove "very beneficial, not just for sport but for the economy through increased visitor numbers and unparalleled international attention." He added that Ireland's image abroad would be boosted if the country's bid is successful.

*Extract from Irish Independent, July/August 2017*

Ireland was unsuccessful in its bid to host the 2023 Rugby World Cup. Minister Ross had stated that the event would be beneficial for the economy. Suggest **two** economic benefits to the Irish economy of hosting the 2023 Rugby World Cup.

Economic benefit 1:

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Economic benefit 2:

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## Question

Here is a graphic showing planned government spending in its departments in 2017 and 2018. The figures are in millions of euro.

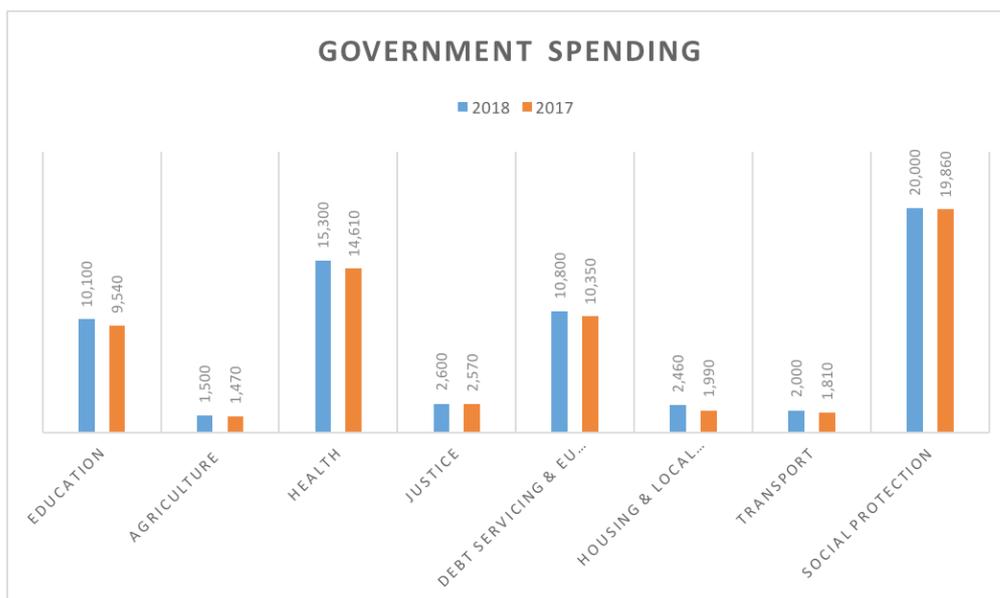
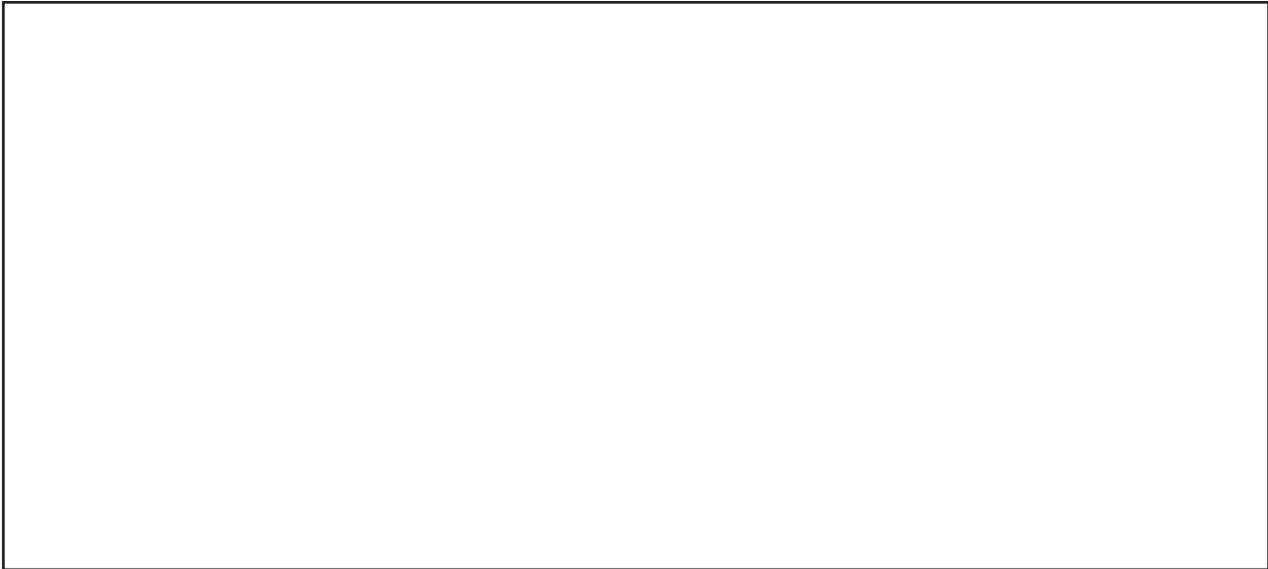


Figure: Sourced from [whereyourmoneygoes.gov.ie/en/2017](http://whereyourmoneygoes.gov.ie/en/2017), October 2017

- (a) Identify the department which has shown the biggest percentage increase in government spending between 2017 - 2018.

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Show your workings in the box (overleaf).



(b) Choose one department. Explain **two** services that your chosen department provides to the public.

Department:

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Service 1:

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Service 2:

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## Question

**Unemployment hits nine-year low of 6%**  
**State's jobless rate now nearly three points**  
**below euro zone average of 8.9 per cent**

*Irish Independent, November 2017*

- (a) Explain what is meant by the term **unemployment**.

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- (b) Explain **two** benefits to the economy of a low unemployment rate

Benefit 1:

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Benefit 2:

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## Question

**Budget 2018: Increase in the VAT rate on sunbeds from 13.5% to 23%**

**In line with the Government's National Cancer Strategy, the VAT rate on sunbed services is being increased from 13.5% to the standard rate of 23% from 1 January 2018.**

(a) Explain what is meant by the term **VAT**.

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(b) Explain **one** economic benefit and **one** social benefit from increasing the rate of VAT on sunbeds.

Economic benefit:

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Social benefit:

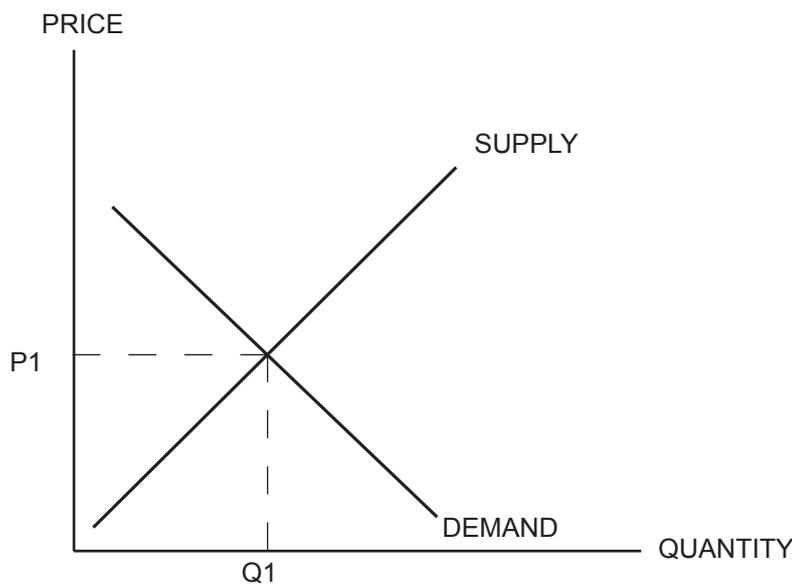
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## Question

Here is a diagram illustrating the demand and supply curve for Fizzy Cola. Its equilibrium price is  $P_1$  and the equilibrium quantity of Fizzy Cola is  $Q_1$ . From April 2018, the government plans to bring in a Sugar Tax on soft drinks like Fizzy Cola.



- (a) If the government brings in the Sugar Tax on Fizzy Cola in 2018, what you expect will happen to the price and quantity demanded for Fizzy Cola.

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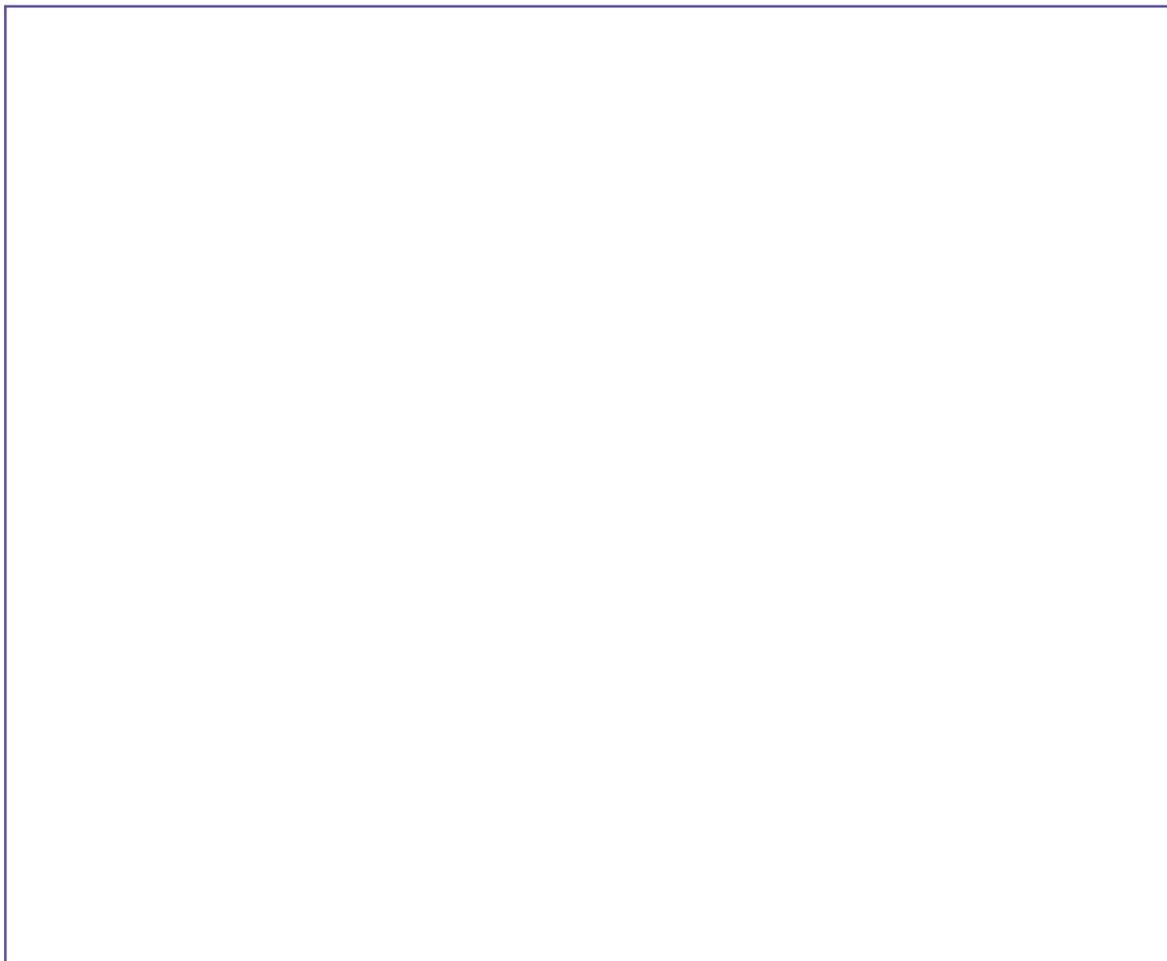
(b) Explain why you think this will happen

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(c) Draw a diagram to show the change in price (P1) and quantity demanded (Q1) of Fizzy Cola you explained.



Governments have many objectives when they change tax policy. Here are three of the objectives:

- The objective to raise government revenue
- The objective to be fair to taxpayers
- The objective to influence taxpayers' behaviour.

(d) Choose **one** of the government's objectives. Do you think the government has achieved this objective with the Sugar Tax? Give **two** reasons for your answer.

Objective:

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Reason 1:

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Reason 2:

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## Question



One of the government's Capital Expenditure projects within the National Budget is the Cross City Luas works. The cost of this project is €368 million and it is one of the largest capital investment projects being undertaken by the Irish government. It is an extension of the Luas tramline in Dublin City.

*Figure: Courtesy of luascrosscity.ie  
(April 2016)*

- (a) Distinguish between **Capital Expenditure** and **Current Expenditure** for the Irish government. Use **one** example of each type of expenditure, other than the Luas, to explain your answer.

Capital Expenditure:

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Example:

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Current Expenditure:

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Example:

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(b) Describe two benefits to the economy of the Cross City Luas works. Give reasons for your answer.

Benefit 1:

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Benefit 2:

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