2020.M56

2020L033G1EL

Coimisiún na Scrúduithe Stáit
State Examinations Commission

Leaving Certificate Examination 2020

Business

Section 1 and Answerbook

Ordinary Level

2 hours 30 minutes

400 marks

Examination Number

Day and Month of Birth

For example, 3rd February is entered as 0302

Centre Stamp

Instructions

Write your Examination Number and your Day and Month of Birth in the boxes on the front cover.

Write your answers to all parts of the examination into this Answerbook. This Answerbook will be scanned and your work will be presented to an examiner on screen. Anything that you write outside of the answer areas may not be seen by the examiner.

Write your answers in blue or black pen. You may use pencil for sketches, graphs and diagrams only.

There are two sections in this examination. Questions for **Section 2** are supplied separately but your answers must be written in this Answerbook.

Candidates are required to answer:

(A) **Ten** questions from **Section 1**

and

(B) **Four** questions from **Section 2** as follows:

One question from **Part 1**

Two questions from **Part 2** and

One other question from either **Part 1** or **Part 2**.

All questions in this section carry equal marks.

Make and Model of calculator used:

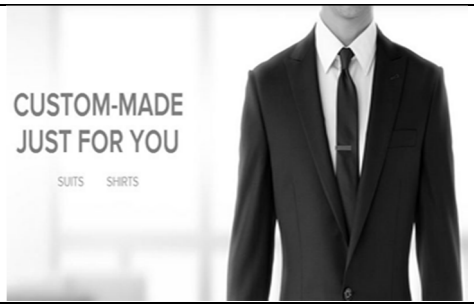
Section 1	Short Answer Questions	100 marks

Answer 10 questions. Each question carries 10 marks.

1. What do the following letters stand for? Write each answer in the space provided.

SWOT	
CEO	
PLC	

2. Identify the **production option** most appropriate to each of the products shown below.

		
(i)	**(ii)**	**(iii)**

3. Explain the difference between an Entrepreneur and an Intrapreneur.

An Entrepreneur is
An Intrapreneur is

4. Complete the table below, linking the European Union institutions listed with their function.

EUROPEAN PARLIAMENT **EUROPEAN COMMISSION** **EUROPEAN COURT OF AUDITORS**

Function	Drafts all European laws	Ensures the EU Budget is spent correctly	Represents all EU citizens and debates all EU laws
Institution			

5. Indicate whether each of the following is an example of Desk Research or Field Research by writing **Desk** or **Field** after each of the following statements.

		Type of Research (Desk or Field)
	Conducting a focus group where a group of consumers is brought together to discuss a product.	
	Observing consumer behaviour in a marketplace.	
	Researching magazines and newspapers.	
	Conducting a survey where a business interviews a consumer directly.	
	Collecting information from Government publications such as those prepared by the Central Statistics Office (CSO).	

6. Circle the **correct option** in **each** of the following statements.

(i) Inflation refers to **an increase / a decrease** in the general level of prices from one year to the next.

(ii) A rise in the employment rate results in **an increase / a decrease** in income tax received by the government.

(iii) Lower interest rates mean the cost of borrowing is **cheaper / more expensive**.

(iv) If the euro (€) increases in value relative to the US Dollar ($), Irish products become **cheaper / more expensive** in the USA.

7. Indicate by placing a tick (✓) in the correct box, the pricing strategy to which each statement relates.

Statement	Premium Pricing	Price Skimming	Discriminatory Pricing	Loss Leader
Rolex charges a high price for its watches to portray an image of high quality.				
Lidl sells a litre of milk to consumers for €0.60 but purchased it from its suppliers for €0.65.				
Spotify offers students 50% off its premium package.				
Apple charges a high price at the launch stage of new iPhones and reduces the price over time.				

8. Choose the appropriate terms to complete the sentence below. (Two terms do not apply.)

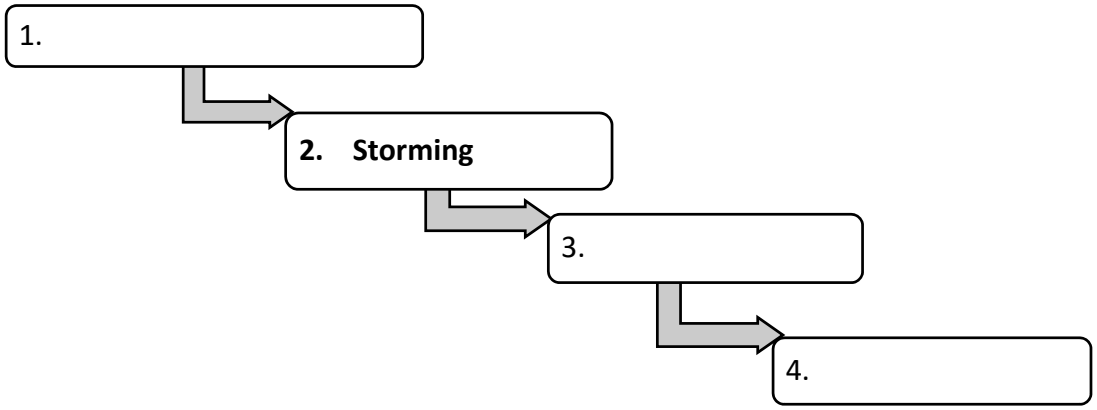
Strategic Alliance **Merger** **Co-operative** **Takeover**

A _____ is when one company takes control of another by buying more than 50% of its shares, while a _____ is when two separate businesses voluntarily agree to join together permanently to form a new business.

9. Explain the following barriers to trade.

(i) Tariff:
(ii) Quota:

10. Complete the stages in the formation of a Team:



11. Fill in the four missing values labelled **A**, **B**, **C**, and **D** in the table below to calculate Paul Costigan's net annual take home pay. Show your workings in the space provided.

Name: Paul Costigan		€	€
Gross Pay			60,000
Deductions			
PAYE: (20% of €35,300) (40% of €24,700) Tax Credits	7,060 9,880 16,940	16,940 – 3,300	
Net PAYE		13,640	
PRSI (4% of Gross Pay)		**A**	
USC (3% of Gross Pay)		**B**	
Total Deductions			**C**
Net Annual Take Home Pay			**D**

Workings:

12. Write the word **TRUE** or **FALSE** after each of the following statements.

	True or False
A strategic plan is a long-term plan for a business.	
A mission statement sets out the overall purpose of the business.	
A functional structure divides a business into different geographic locations.	
A matrix structure is a team-based structure.	

13. Name a state agency involved in each of the following sectors.

Sectors	**Transport**	**Communications**	**Industrial Relations**
State Agency			

14. The development of a new product/service normally involves seven stages.
Three of these stages have been entered in the table below. The remaining stages are:

Prototype Development **Idea Generation** **Launch** **Concept Development**

Enter the **four** stages above in the correct order in the table below.

Stages in new product/service development
1.
2. Product/service Screening
3.
4. Feasibility Study
5.
6. Test Marketing
7.

15. In the following table, Column 1 is a list of business terms and Column 2 is a list of explanations.

Column 1: Business Terms	Column 2: Explanations
1. Capacity to contract	**A** Each party in a contract must give something of value to the other party.
2. Consent to contract	**B** There is clear and unconditional acceptance of an offer.
3. Consideration	**C** Both parties enter into the contract of their own free will.
4. Agreement	**D** Some contracts must be in writing in order to be legally valid.
5. Legality of form	**E** Both parties intend to enter into the contract and complete it.
	F Both parties can legally enter into a contract.

Match the two lists by placing the letter of the correct explanation under the number of the relevant business term below. One explanation has no match.

Business Term	**1**	**2**	**3**	**4**	**5**
Explanation					

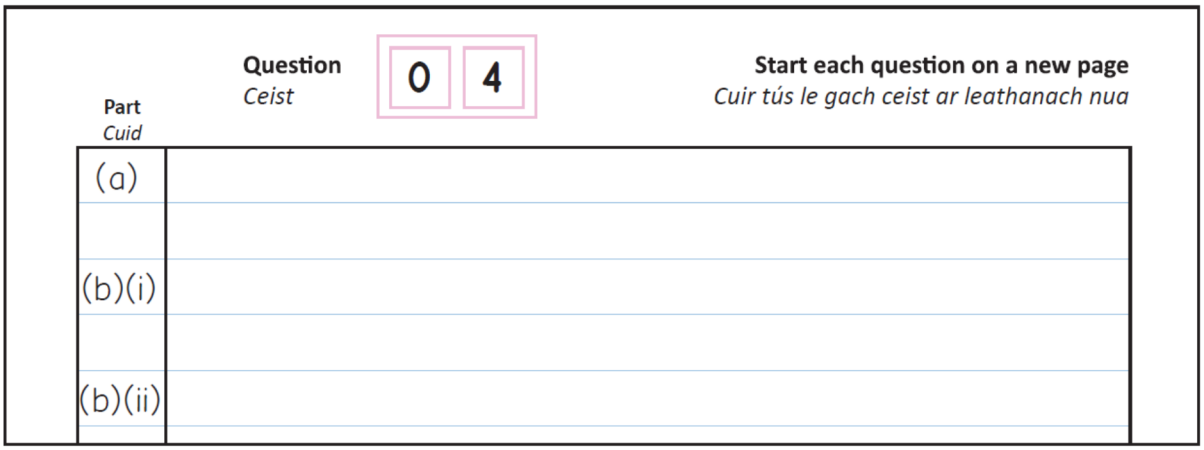
Answerbook for Section 2

Instructions

Questions for **Section 2** are supplied separately.

Start each question on a new page. Write the question number in the box at the top of each page.

Use the left-hand column to label each part, as shown below.



Two pages of graph paper are provided at the back of this Answerbook. On pages with graph paper, the box for the question number is at the bottom of the page.

You do not need to use all of the pages in this Answerbook. If you run out of space in this Answerbook, you may ask the superintendent for more paper or graph paper.

Write your answers in blue or black pen. You may use pencil for sketches, graphs and diagrams only.

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Leaving Certificate – Ordinary Level

Business Section 1 and Answerbook