



Coimisiún na Scrúduithe Stáit
State Examinations Commission

Leaving Certificate Examination 2023

Business

Section 1 and Answerbook

Higher Level

Thursday 15 June Morning 9:30 - 12:30

400 marks

Examination Number

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
----------------------	----------------------	----------------------	----------------------	----------------------	----------------------

Day and Month of Birth

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
----------------------	----------------------	----------------------	----------------------

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 Answer Book. This Answer Book 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 three sections in this examination. Questions for **Sections 2** and **3** are supplied separately but your answers must be written in this Answer Book.

Candidates are required to answer:

- (A) Eight questions from Section 1 and**
 - (B) The Applied Business Question in Section 2 and**
 - (C) Four questions from Section 3 as follows:**
 - One question from Part 1**
 - One question from Part 2**
 - and any other **Two** questions
- All questions in this section carry equal marks.**

Make and Model of calculator used:

This section is compulsory. Answer eight questions. Each question carries 10 marks.

Write your answers in the Answerbook containing Section 1.

1. (a) Sports retail chain InterSport Elverys is an Irish indigenous firm. Explain the term indigenous firm.



- (b) Outline **two** challenges that may be experienced by an indigenous business in Ireland.

(i)
(ii)

2. In the context of business, what do the following letters stand for?
Write each answer in the space provided.

TQM	
ISME	
JIT	
EDI	
ROI	

4. **Column 1** is a list of European Institutions.
Column 2 is a list of possible explanations.
(One explanation does not refer to any of the terms.)

Column 1: Institutions	Column 2: Explanations
1 European Central Bank	A Directly elected by citizens of all member states of the European Union (EU).
2 European Court of Auditors	B Decides on disputes between member states, EU institutions, businesses and individuals.
3 European Parliament	C Key decision-making body in the EU, meetings attended by relevant ministers of each state.
4 Council of the European Union	D Manages the euro currency and the EU's monetary policy.
5 European Commission	E Audits the spending of the EU budget and reports on EU finances.
	F Responsible for the day to day management of the EU and proposes new EU Laws.

Match the two lists by placing the letter of the correct explanation under the relevant number below.

1	2	3	4	5

5. (a) Draft and label a functional organisational structure for a manufacturing firm.

--

(b) Outline **one** impact of choosing this type of organisational structure.

6. Distinguish between penetration pricing **and** price skimming.

7. Liquidity issues continue to be a cause of concern for many small businesses.

(a) Explain the term liquidity.

(b) The figures below are taken from Cahill's newsagents.

Calculate the Acid Test Ratio for Cahill's newsagents.

	€
Closing Stock	14,000
Current Assets	93,200
Current Liabilities	72,000

Formula	
Workings	
Answer	

8. (a) Explain the term national minimum wage.

(b) Describe **one** possible economic impact on Irish businesses of the increase in the national minimum wage.

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

		True/False
1.	The Aviva Stadium is an example of a company using the Public Relations method known as Celebrity Endorsements.	
2.	McDonalds selling a rice burger and teriyaki burger in Japan is an example of the need to adapt the Global Product element of the marketing mix.	
3.	An impact of moving from job production to batch production is that the business may lose their Unique Selling Point.	
4.	Capital Acquisitions Tax is a tax on the profits made on the sale of assets.	
5.	The Q Mark is a quality standard awarded by Excellence Ireland Quality Association.	

10. Outline **two** characteristics/skills associated with entrepreneurs.

(i)
(ii)

11. Data Protection Commission Fines WhatsApp
Further €5.5m Over GDPR Breach

Adapted from businessplus.ie



Explain **two** rights of the data subject (an individual) under data protection law.

(i)
(ii)

12. (a) Distinguish between **two** types of meetings which are common in a business.

(b) Outline **two** benefits of meetings as a method of communication.

(i)
(ii)

This is a compulsory 80 mark question based on Units 5, 6 and 7.

Write your answer in the Answerbook containing Section 1

Crowley Housebuilders Ltd



Helen Crowley founded Crowley Housebuilders Ltd in 2013. Helen raised the capital to start the business through investing her savings and secured a grant from her local enterprise office. The demand for new homes increased as the Irish economy recovered from a period of economic difficulty. Crowley Housebuilders Ltd developed a business plan that presented their strategy for growing operations both in Ireland and abroad. They successfully applied for support from Enterprise Ireland for their planned expansion. The company raised €3 million from issuing share capital. An additional investment of €2 million was secured in the form of a 10-year debenture. They took advantage of low interest rates and received approval for a 20-year long term loan to fund expansion into Europe and Asia.

The decision to enter new markets reduced their dependence on the Irish market. Crowley Housebuilders Ltd had to adapt to the varying legislation in other countries. Several projects were delayed due to miscommunications and language barriers. They struggled to compete with local firms in international markets. However, as management systems improved the company began to gain market share in several countries. The company then successfully tendered for Irish government contracts and similar contracts in Europe. The world economy experienced strong economic growth. As a result, profits rose rapidly. The business was benefiting from economies of scale and their cash reserves were healthy.

Recently, across the world, interest rates have begun to increase. Supply chain issues have caused delays, and inflation has led to a massive increase in price of raw materials. Energy prices are far higher than budgeted for and fluctuations in exchange rates are also adding to the uncertainty. Economic growth has begun to slow down which is worrying. Helen has noticed profits are falling and is nervous for the future economic landscape. She is considering consolidation which could lead to job losses.

- (A) Explain the different sources of long-term finance used by Crowley Housebuilders Ltd. (20)
- (B) Describe the benefits **and** challenges of entering international markets for Crowley Housebuilders Ltd. (30)
- (C) Discuss the impact of economic variables on a business. Refer to the text in your answer. (30)

Write your answers in the Answerbook containing **Section 1**

Answer **four** questions from **Section 3** as follows:

One question from **Part 1**

One question from **Part 2**

and any other **Two** questions.

All questions carry 60 marks.

Part 1
People in Business / Business Environment

Question 1**People in Business**

(A) Describe **one** example of a co-operative relationship and **one** example of a competitive relationship that could arise between the following stakeholders:

(i) Employer and employee

(ii) Investor and the manager of a business. (20)

The Consumer Rights Directive and EU regulations enhanced consumer rights in Ireland.
EU regulations now clarify *'Your right to cancel'*. Adapted from commission.europa.eu

(B) **(i)** Outline **three** provisions of the Sale of Goods and Supply of Services Act 1980 regarding a consumer's statutory rights.

(ii) Explain the 'right to cancel' (cooling off period) for consumers in Ireland. (20)

(C) Illustrate your understanding of the following essential elements of a valid contract.

Consideration Legality of Form Intention to Contract (20)

Read the information supplied and answer the questions which follow.

The state completes sell down of Bank of Ireland stake.

Adapted from rte.ie

- (A) (i) Distinguish between nationalisation **and** privatisation. Provide examples to support your answer.
- (ii) Describe **one** benefit and **one** challenge of privatisation for the government. (20)
- (B) Outline why a business, over time, might change their ownership structure. Provide examples to support your answer. (20)

During the pandemic, people have become more sensitive to the environmental impact of their shopping. Companies have responded to the rise of the eco-friendly consumer.

Adapted from strategy+business

- (C) Discuss the characteristics of an environmentally responsible business. (20)

Read the information supplied and answer the questions which follow.



- (A) Outline the importance of European Union (EU) membership for Ireland. (20)
- (B) Evaluate the role of special interest groups in the European Union (EU).
Use an example to support your answer. (15)
- (C) Discuss the positive **and** negative impacts of multinational companies (MNC's) in Ireland.
Use examples to support your answer. (25)

Read the information supplied and answer the questions which follow.

The Taoiseach says 6.5% public sector pay offer is fair.

Adapted from rte.ie

- (A) (i) Explain the term collective bargaining.
- (ii) Outline **three** provisions of the Industrial Relations Act 1990. (20)
- (B) Under the terms of the Unfair Dismissals Act 1997 to 2021, explain the grounds for dismissal that are deemed to be **fair**. (20)

The logo for the Workplace Relations Commission (WRC) features the letters 'WRC' in a large, bold, sans-serif font. The 'W' is dark grey, while the 'R' and 'C' are black.

An Coimisiún um Chaidreamh san Áit Oibre
WORKPLACE RELATIONS COMMISSION

- (C) Discuss the services provided by the Workplace Relations Commission. (20)

Part 2 Enterprise

Question 5

Enterprise/Managing

Jim Gavin, Director of People and Operations in the Irish Aviation Authority, is a speaker on leadership and motivation. He references motivational theorists such as Douglas McGregor and Abraham Maslow.



- (A) Outline, giving an example, how a business manager could use each level of Maslow's Hierarchy of Needs to motivate their staff. (25)
- (B) Explain **three** implications for a manager of adopting a Theory Y approach to management. (15)
- (C) (i) Distinguish between enterprise and management.
(ii) Discuss **two** benefits of planning as a management activity. (20)

Due to major increases in utility bills, business owners may cancel insurance premiums or under insure their risks.

- (A) (i) Explain **one** implication of underinsurance.
(ii) Discuss **two** types of business insurance that you recommend a hotel business should have. (15)

New employees will seek flexible working conditions
if pay demands are not met.

Adapted from Irish Examiner

- (B) (i) Explain the term flexible working conditions.
(ii) Outline the different types of financial **and** non-financial rewards that businesses use to attract employees. (20)

In 2022 recruitment companies noticed that Human Resource forecasts were adapted as the economy struggled with a cost of living crisis.

- (C) Explain the following terms in the context of human resource management.
● Job Description and Person Specification.
● Internal and External Recruitment.
● Interview and Selection. (25)

Question 7

Managing / Business in Action

Centre Parcs

Centre Parcs Longford features 400 acres of beautiful forest, swimming pool, a range of restaurants, activities and accommodation types.



(A) Outline the internal **and** external sources of new product/service ideas for businesses such as Centre Parcs. (20)

(B) Read the information supplied and answer the questions which follow.

Tommy is a manager at Centre Parcs Ireland and earns a gross annual salary of €85,000. His employer provides him with a company car worth €25,000. This is treated as income for tax purposes and is taxed accordingly.

Tommy's tax information is shown below.

PAYE		
20% on the first €40,000	40% on the balance of his gross income	
TAX CREDITS		
Single Person Tax Credit €1,700	PAYE Tax Credit €1,700	Dependent Relative Tax Credit €245
USC		
0.5% up to €12,012	2% on the next €9,281	4.5% on the balance
PRSI		
Tommy pays employee PRSI at 4% of his gross income		

Calculate each of the following:

- | | |
|--|--|
| (i) The PAYE which Tommy has to pay | (iii) The total amount of PRSI |
| (ii) The total amount of USC | (iv) Tommy's annual take-home pay |
- (20)

- (C)** **(i)** Explain the term employee empowerment.
- (ii)** Describe the benefits of employee empowerment for a business. (20)

EPIK Media

EPIK Media produce, shoot and package behind the scenes content for movies, tv series and events. The business has worked on movies such as 'Jurassic Park Dominion' and 'The Banshees of Inisherin'.



- (A) (i) Illustrate your understanding of the term niche market.
 (ii) Outline **two** implications for a business of operating in a niche market. (15)

NETFLIX on sky

Netflix and Sky, the two entertainment giants will continue their successful subscription package.

- (B) (i) Contrast a strategic alliance **and** a merger as methods of business expansion.
 (ii) Evaluate **one** benefit and **one** challenge for a business of forming a strategic alliance. (20)
- (C) MJ Sports produce products aimed at Hurling and Camogie players. MJ Sports have provided the following information for their new product line:

Forecast Output (Sales)	8,000 units
Selling Price per unit	€20
Fixed Costs	€40,000
Variable Costs per unit	€10

Illustrate the following by means of a breakeven chart:

- (i) Breakeven point
 (ii) Margin of safety at the forecast output
 (iii) Profit at forecast output. (25)