JUNIOR CERTIFICATE EXAMINATION, 2006

BUSINESS STUDIES – HIGHER LEVEL

PAPER I
SECTION A
(80 marks)

MARKING SCHEME

1.	4 marks	11.	4 marks
2.	4 marks	12.	4 marks
3.	4 marks	13.	4 marks
4.	4 marks	14.	4 marks
5.	4 marks	15.	4 marks
6.	4 marks	16.	4 marks
7.	4 marks	17.	4 marks
8.	4 marks	18.	4 marks
9.	4 marks	19.	4 marks
10.	4 marks	20.	4 marks

JUNIOR CERTIFICATE EXAMINATION, 2006

BUSINESS STUDIES – HIGHER LEVEL

PAPER I
SECTION B
(160 Marks)

- **All questions carry equal marks (40 marks)**

MARKING SCHEME

1. Household Budget Question

(A)		Estimate: 15 figures @ 1 mark each	15 marks	
		Total: 15 figures @ 1 mark each	15 marks	
		Excluding totals of income, expenditure, all sub-totals and decorating. [*Net Cash 4,301, 2,026] [*Closing Cash 2,186]		(30)
(B)	**(i)**	Dividends		
	(ii)	Expected Closing Cash (2,115)		
	(iii)	**Two** major reasons		
	(iv)	**One** method		(10)

(40 marks)

2. Club Account and Information Technology Question

(A) (i) Trading Account

Title & Date	1 mark
Figures & details 6 @ 1 mark each	6 marks
Correct Gross Profit figure (8080)	2 marks

(ii) Income & Expenditure Account

Title & Date	1 mark
4 calculations @ 2 mark each	8 marks
(Adjustments and depreciation)	
6 other figures with details @ 1 m each	6 marks
Correct figure (14025) and word (surplus)	4 marks

(28)

(B) (i)	Officer (Treasurer)	2 marks
(ii)	**One** suitable software program	2 marks
(iii)	**Two** suitable sources of finance	8 marks

(12)

(40 marks)

3. Factors of Production, Economic Growth and Trade Question

(A)		**Four** factors of production with relevant reward/payment		(8)
(B)	**(i)**	Economic growth		
	(ii)	**One** advantage of economic growth		
	(iii)	Economic growth – calculation with workings (6.25%)		(10)
(C)	**(i)**	Visible and Invisible imports with **one** example of each		
	(ii)	**(a)**	Balance of Trade and Payments – calculations with workings	
		(b)	Type of balance (BoT Surplus, 140 – BoP Surplus, 500)	
	(iii)	**(a)**	Import substitution	
		(b)	**One** effect of import substitution on Balance of Trade	
				(22)

(40 marks)

4. People at Work and Industrial Relations Question

(A) **(i)** Title (Shop steward)

Two services shop steward can offer to James

(ii) **Three** possible reasons for dispute with Conlon Ltd.

(iii) **Three** steps to resolve industrial dispute

(24)

(B) **(i)** Commission

(ii) **One** advantage and **one** disadvantage – weekly flat wage plus commission

(iii) Benefit-in-kind and **two** examples

(16)

(40 marks)

5. Insurance Question

(A) **(i)** Claim form – completion

(ii) Compensation (€2500) – calculation

(iii) Compensation and most relevant principle – (Indemnity with explanation)

(iv) **One** other relevant principle of insurance

(23)

(B) **(i)** Premium (€453) – calculation with workings

(ii) Actuary – title of person

(iii) Compensation (€55,000) – calculation with workings and explanation

(17)

(40 marks)

6. Banking and Borrowing Question

(A) **(i)** **Two** factors for consideration

(ii) Tax (Deposit Interest Retention Tax)

(iii) **Two** separate legal requirements

(iv) **Two** other methods of saving

(18)

(B) Cheque and counterfoil – completion (6)

(C) **(i)** Total cost of each option – calculation with workings

Option 1: €8140 Option 2: €6900

(ii) Recommended option with reason

(16)

(40 marks)

JUNIOR CERTIFICATE EXAMINATION, 2006

BUSINESS STUDIES – HIGHER LEVEL

PAPER II
(160 Marks)

- **All questions carry equal marks (40 marks)**

MARKING SCHEME

Q. 1 Book of First Entry, Ledger and Trial Balance

(A) General Journal			5 marks
Four correct entries @ 1 mark each	4 marks		
Suitable narration @1 mark	1 mark		
(A~D) Ledgers			16 marks
14 entries in Ledger Accounts @ 1 mark each (excluding totals and balances)		14 marks	
2 accounts balanced @ 1 mark each		2 marks	
(C) Analysed Cash Book			10 marks
Opening Balance @ 1 mark, Closing Balance @ 1 mark		2 marks	
12 entries @ ½ mark each (excluding totals)		6 marks	
Receipt No. @ 1 mark	1 mark		
Cheque Numbers @ 1 mark	1 mark	2 marks	
(D) Trial Balance			
9 entries @ ½ mark each			4 ½ marks
(A~D) Presentation			4 ½ marks
Dates @ 2 marks			
Folios @ 2 marks			
Neatness @ ½ marks			**(40 marks)**

Q. 2 Credit Sales, Business Document and Bookkeeping

(A) (i) Two suitable reasons	4 marks	
(ii) Two suitable methods	8 marks	
		12 marks
(B) (i) Treatment of outgoing Statements	4 marks	
(ii) Statement No. 91	10 marks	
Correct Name and Address		
Correct Date		
3 correct (debit and credit) entries		
Correct Opening and Closing (€7,042) balances		
(iii) Purchases Book	7 marks	
Purchases Returns Book	7 marks	28 marks
		(40 marks)

Q. 3 Being an Employer and Wages Calculation

(A) (i) Two suitable rewards	4 marks	
Two suitable risks	4 marks	
(ii) Two rights	4 marks	
Two responsibilities	4 marks	
(iii) Importance of employee records	6 marks	
		22 marks
(B) (i) 6 correct entries in Wages Book for: Gross Wage, PAYE, PRSI, Total Deductions, Net Wage (€2,530), Employer's PRSI	16 marks	
(ii) Total Cost of wages (€4,032)	2 marks	
		18 marks
		(40 marks)

Q. 4 Final Accounts and Balance Sheet

(A) Trading, Profit and Loss Appropriation Account		
Headings @ 3 marks	3 marks	
27 figures @ ½ mark each	13½ marks	
2 figures @ 1 mark each	2 marks	
		18½ marks
Balance Sheet		
Heading	1 mark	
22 figures @ ½ mark each	11 marks	
4 figures @ 1 mark each	4 marks	
Neatness	½ mark	
		16½ marks
(B) Three long-term sources of finance (2+2+1)		5 marks
		(40 marks)

Q. 5 Chain of Production and Delivery Systems

(A) (i) Primary production and example	4 marks	
(ii) Service industry and example	<u>4 marks</u>	
		8 marks
(B) (i) Two suitable channels	5 marks	
(ii) One appropriate type of product	<u>2 marks</u>	
		7 marks
(C) (i) Three suitable factors	9 marks	
(ii) 2 modern developments	<u>6 marks</u>	
		15 marks
(D) Analysed Cash Book - 6 entries	6 marks	
Delivery Van Account - 4 entries	<u>4 marks</u>	
		10 marks
		(40 marks)

Q. 6 Marketing, Savings and Service Firm's Final Account

(A) Three suitable methods of promotion with reasons	12 marks
(B) (i) Amount earned by each member of the group (€135,000)	
(ii) Three suitable institutions with reasons	12 marks
(C) Heading, 12 figures, Excess Inc. over Exp. (€ 2,250 incl. words)	
	16 marks
	(40 marks)