

**JUNIOR CERTIFICATE EXAMINATION, 2007**

**BUSINESS STUDIES – HIGHER LEVEL**

**PAPER I  
SECTION A  
(80 marks)**

**MARKING SCHEME**

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

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**PAPER I**  
**SECTION B**  
**(160 marks)**

- All questions carry equal marks (40 marks)

**MARKING SCHEME**

**1. Household Budget**

**(A) Revised Budget:**

Planned Income section	5 marks
Planned Expenditure section	13 marks
Net Cash/Opening Cash/Closing Cash sections	10 marks

(28)

**(B) (i) Correct month**

**(ii) Expected overspending in three months – correct figure**

**(iii) One reason – mortgage repayments might increase**

**(iv) Revised Budget – Yes/No and two reasons**

(12)

**(40 marks)**

## 2. Club Account

(A) (i) Income & Expenditure Account

Title & Date	1 mark
Income: Figures & details	5 marks
Expenditure: Figures & details	11 marks
Excess: Correct figure with detail	3 marks

(ii) Balance Sheet

Title & Date	1 mark
Assets: Figures & details	5 marks
Liabilities: Figures & details	2 marks
Financed by: Figures & details	2 marks
Total: Figures & details	1 mark

(31)

(B) Club treasurer – **three** functions

(9)

**(40 marks)**

### 3. National Budget and Economic Awareness

- (A) (i) National Budget for 2007  
Heading with year  
Correct figures with details
- (ii) Current Income (government) – **two** examples
- (iii) Capital Income (government) – **one** example
- (18)
- (B) (i) Spending on motorways – **two** economic benefits and **one** economic drawback
- (ii) (a) **Two** types of financial institution
- (b) Opportunity cost
- (c) **One** effect on Balance of Payments
- (18)
- (C) Mixed economic system
- (4)

**(40 marks)**

### 4. Consumer

- (A) (i) Consumer law
- (ii) Relevant principle of consumer law
- (6)
- (B) (i) Letter of complaint  
Layout  
Content  
English
- (ii) **Two** methods of payment
- (24)
- (C) **Two** agencies and **one** service offered by each
- (10)

**(40 marks)**

## 5. Personal Banking

- (A) (i) Application form – completion  
(ii) Opening a bank account – **three** legal requirements  
(iii) Current and Deposit account – **two** differences  
(iv) (a) Overdraft  
(b) **Three** requirements to be satisfied by Andy for an overdraft (30)
- (B) (i) **Two** suitable sources of finance  
(ii) **Two** rights of a borrower (10)

**(40 marks)**

## 6. People at Work

- (A) (i) **Two** rewards of being self-employed  
(ii) **Two** risks of being self-employed  
(iii) **Three** responsibilities of Anne Power (an employee)  
(iv) Hardware and software – difference and **two** examples of each (30)
- (B) Net wage – calculation (10)

**(40 marks)**

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**PAPER II**

**(160 marks)**

- All questions carry equal marks (40 marks)

**MARKING SCHEME**

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

<b>(A)</b>	<u>General Journal</u>		4 marks
Three correct entries @ 1 mark each		3 marks	
Suitable narration @ 1 mark		<u>1 mark</u>	
<b>(A~D)</b>	<u>Ledgers</u>		18 marks
16 entries in Ledger Accounts @ 1 mark each (excluding totals and balances)		16 marks	
Closing Balances 2 @ 1 mark each		<u>2 marks</u>	
<b>(C)</b>	<u>Analysed Cash Book</u>		9 marks
12 entries @ ½ mark each		6 marks	
Closing Balance @ 1 mark		1 mark	
Receipt Numbers @ 1 mark	1 mark		
Cheque Numbers @ 1 mark	<u>1 mark</u>	<u>2 marks</u>	
<b>(D)</b>	<u>Trial Balance</u>		
9 entries @ ½ mark each			4 ½ marks
<b>(A~D)</b>	<u>Presentation</u>		4 ½ marks
Dates @ 2 marks			
Folios @ 2 marks			
Neatness @ ½ mark			

**(40 marks)**

**Q. 2 Credit Sales, Business Document and Bookkeeping**

(A)	(i)	Two explanations @ 4 marks each	8 marks	17 marks
	(ii)	Two suitable procedures @ 2 marks each	4 marks	
	(iii)	Suitable explanation @ 5 marks	<u>5 marks</u>	
(B)	(i)	<b>Two</b> other suitable reasons @ 2 marks	4 marks	23 marks
	(ii)	Credit Note No. 23	12 marks	
		7 correct figures @ 1 mark each		
		5 entries @ 1 mark each, as follows: Correct Date, Correct Order No., Correct Name and Address of Recipient, Description, Reason for Credit Note.		
	(iii)	Sales Returns Book (7 pieces of information @ 1 mark each)	<u>7 marks</u>	
				(40 marks)

**Q. 3 Cash Flow Forecast**

(A)	Cash Flow Forecast			28 marks
	20 correct entries @ 1 mark each		20 marks	
	4 correct entries @ 2 marks each		<u>8 marks</u>	
(B)	(i)	Two suitable items @ 2 marks each	4 marks	12 marks
	(ii)	Two possible ways @ 2 marks each	4 marks	
	(iii)	Explanation of a difference @ 4 marks	<u>4 marks</u>	
				(40 marks)

#### Q. 4 Final Accounts and Balance Sheet

- (A) Trading, Profit and Loss Appropriation Account
- |                          |                |
|--------------------------|----------------|
| Headings @ 3 marks       | 3 marks        |
| 26 figures @ ½ mark each | 13 marks       |
| 2 figures @ 1 mark each  | <u>2 marks</u> |
|                          | 18 marks       |
| <u>Balance Sheet</u>     |                |
| Heading @ 1 mark         | 1 mark         |
| 24 figures @ ½ mark each | 12 marks       |
| 3 figures @ 1 mark each  | 3 marks        |
| Neatness                 | <u>1 mark</u>  |
|                          | 17 marks       |
- 35 marks
- (B) Explanation of 'depreciation' (3+2) 5 marks
- (40 marks)**

#### Q. 5 Marketing and Business Plan

- (A) **Three** suitable questions relating to: colour(s) to be used;  
price to be charged and retail outlets to sell in @ 3 marks each 9 marks
- (B) (i) ~ (iii)
- |   |                |
|---|----------------|
| 12 pieces of information @ 1 mark each                            | 12 marks       |
| 6 pieces of information @ 2 marks each                            | 12 marks       |
| 1 piece of information @ 4 marks<br>(Selling price per hoody €26) | 4 marks        |
| 2 pieces of information @ 1½ marks each                           | <u>3 marks</u> |
- 31 marks
- (40 marks)**

#### Q. 6 Report Writing and Assessing a Business

- (A) Calculation of **four** ratios @ 4 marks each 16 marks
- (B) Report for directors of JACK Ltd  
- Performance of company
- |                                    |                |
|------------------------------------|----------------|
| 8 points in report @ 2 marks each  | 16 marks       |
| 4 suitable comments @ 2 marks each | <u>8 marks</u> |
- 24 marks
- (40 marks)**