



Coimisiún na Scrúduithe Stáit
State Examinations Commission

Junior Cycle 2024

Marking Scheme

Business Studies

Common Level

Note to teachers and students on the use of published marking schemes

Marking schemes published by the State Examinations Commission are not intended to be standalone documents. They are an essential resource for examiners who receive training in the correct interpretation and application of the scheme. This training involves, among other things, marking samples of student work and discussing the marks awarded, so as to clarify the correct application of the scheme. The work of examiners is subsequently monitored by Advising Examiners to ensure consistent and accurate application of the marking scheme. This process is overseen by the Chief Examiner, usually assisted by a Chief Advising Examiner. The Chief Examiner is the final authority regarding whether or not the marking scheme has been correctly applied to any piece of candidate work.

Marking schemes are working documents. While a draft marking scheme is prepared in advance of the examination, the scheme is not finalised until examiners have applied it to candidates' work and the feedback from all examiners has been collated and considered in light of the full range of responses of candidates, the overall level of difficulty of the examination and the need to maintain consistency in standards from year to year. This published document contains the finalised scheme, as it was applied to all candidates' work.




In the case of marking schemes that include model solutions or answers, it should be noted that these are not intended to be exhaustive. Variations and alternatives may also be acceptable. Examiners must consider all answers on their merits, and will have consulted with their Advising Examiners when in doubt.

Future Marking Schemes

Assumptions about future marking schemes on the basis of past schemes should be avoided. While the underlying assessment principles remain the same, the details of the marking of a particular type of question may change in the context of the contribution of that question to the overall examination in a given year. The Chief Examiner in any given year has the responsibility to determine how best to ensure the fair and accurate assessment of candidates' work and to ensure consistency in the standard of the assessment from year to year. Accordingly, aspects of the structure, detail and application of the marking scheme for a particular examination are subject to change from one year to the next without notice.

Section A**90 marks****Answer all questions.****All questions carry equal marks.****Question 1**

Tick (✓) the correct box to show whether **each** of the following is a monetary reward or a benefit in kind for employees:

		Monetary Reward	Benefit in Kind
 Company Car			✓
 Wages		✓	
 Gym Membership			✓

Question 2

The Irish Government has committed to increasing carbon tax year-on-year until it reaches €100 per tonne in 2030.

Adapted from www.esri.ie

Outline how taxes, such as carbon tax, affect each of the following:

Consumers:
Taxes like the carbon tax make goods and services more expensive. This may discourage people from buying these goods and services/encourage them to look for suitable alternatives.
Taxes decrease (disposable) income thereby lower standard of living.
Environment:
Increasing the price of carbon through taxation discourages the use of non-renewable energy sources which helps combat global warming or reduce air pollution/ Discourages the use of fossil fuels which helps to combat climate change. Greenhouse gas emissions are reduced as households and businesses switch to green energy options.
If taxes like your PAYE were increased, you have less income, which may lead to consumers choosing the cheaper option of close substitutes, which may not be as environmentally friendly.


Question 3

Look at the following advertisement for an insurance company in Macroom, Co. Cork.

A1 Insurance Ltd
West Square, Macroom, Co. Cork.

Buildings €2.50 per €1,000

Burglar alarm installed - 9% discount



Lucas and Katrina would like to insure their house for €320,000. They have no burglar alarm.

- (i) Using the above information, calculate the cost of their insurance premium from A1 Insurance Ltd.

Cost of Insurance	Workings
€800	$\frac{320,000}{1,000} \text{ 1m} \times 2.50 \text{ 1m} = €800 \text{ 1m}$

- (ii) Calculate how much Lucas and Katrina could save if they were to install a burglar alarm.

Saving	Workings
€72 O.F	$800 \text{ 1m O.F} \times 9\% \text{ 1m} = €72 \text{ 1m O.F}$

Question 4

Domestic electricity customers will get €450 credit.

Outline **two** reasons why, in your opinion, the government gave all households a €450 electricity credit.

To ease the financial pressure on households across the country in the midst of high energy prices in order to help pay other household bills/ To give all households a reduction in the price of their energy bill in order to spend on other goods and services.

To ease the impact of inflation and cost of living hikes on households, so they have more income to spend on discretionary expenditure.

To prevent fuel poverty, particularly in low-income households, so everyone can heat their homes.

The government had a surplus in their budget and decided to use some of the surplus to reduce the cost of energy increases for households.

Public Relations which would boost government ratings with the electorate.

Question 5

The number of people at work in the Irish economy increased by 4.1% in Q1 2023 (the first quarter of 2023).

Outline **two** benefits for the Irish economy of this increase in the number of people at work.

More people at work means that there will be more tax revenue for the government e.g., PAYE, PRSI, USC. This extra revenue can be used to provide better public services, e.g., health and education.

If more people are working, then the government will spend less on social protection payments such as job seeker's allowance. The government has greater spending power for other public services.

More employment leads to more spending on goods and services by consumers, which improves economic growth as businesses will expand and create more jobs/employment.

Decrease in national debt servicing due to increased revenue from taxation or decreased government spending on social protection.

Lower levels of emigration as people do not have to leave Ireland in search of work.

Question 6

Complete the Statement of Financial Position (extract) below by filling in the **three** unshaded areas, numbered (i) to (iii).

Statement of Financial Position as at 31/12/2023			
	€	€	€
	Cost	Depreciation	Net Book Value
Fixed Assets			
Buildings	550,000	11,000	(i) 539,000
Equipment	92,000	(ii) 9,200	82,800
	(iii) 642, 000	20,200	621,800

Workings, if required:

(i) $550,000 - 11,000 = €539,000$

(ii) $92,000 - 82,800 = €9,200$

(iii) $550,000 + 92,000 = €642,000$

Question 7

The eurozone expanded to 20 nations when Croatia joined on 1 January, 2023.

Adapted from www.rte.ie



- (i) Complete the following sentence:

The Eurozone is a group of countries within the EU which share a common/single currency/the euro.

- (ii) State **one** benefit of membership of the eurozone for Ireland.

When buying goods and services from other countries within the Eurozone there is no need to change currencies.

Easier to make price comparisons due to a common currency.

Price stability/ no exchange rate fluctuations.

Membership of one of the world's largest economic regions.

Question 8

Using the information below differentiate between the rights and responsibilities of an **employee**. Place a tick (✓) in the correct box.

	Right	Responsibility
To follow all health and safety procedures in the workplace		✓
To be paid at least the minimum wage	✓	
To join a trade union	✓	

Question 9

Katie Sexton has savings in a deposit account for her upcoming wedding. She has earned €200 interest on these savings which is liable for DIRT at a rate of 33%.

(i) DIRT stands for:

Deposit <u>Interest</u> <u>Retention</u> <u>Taxation</u>
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(ii) Calculate how much DIRT she will pay to the Government on her interest. Show your answer in the space provided.

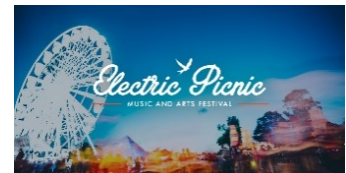
Answer	Workings
€ 66	$200 \text{ 1m} \times 33\% \text{ 1m} = €66 \text{ 1m}$

Question 10

Electric Picnic is an annual music and arts festival held in Ireland.

It is an example of a cultural enterprise.

What role does a **cultural** enterprise play in society?



Promote culture and the arts, locally and nationally, which enhances wellbeing in Ireland.
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Promote local tourism by encouraging visitors to come to Ireland on their holidays, to spend money in Ireland.
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Provide local entertainment outlets for people through concerts, festivals, sporting events which will give a sense of pride to the community.
--

Create employment opportunities locally which will increase taxation income/revenue for the government/ increase standard of living.
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Question 11

Place the following business documents in the correct order: (One is completed for you.)

Invoice, Quotation, Letter of Enquiry, Receipt

1.	Letter of Enquiry
	
2.	Quotation
	
3.	Invoice
	
4.	Receipt

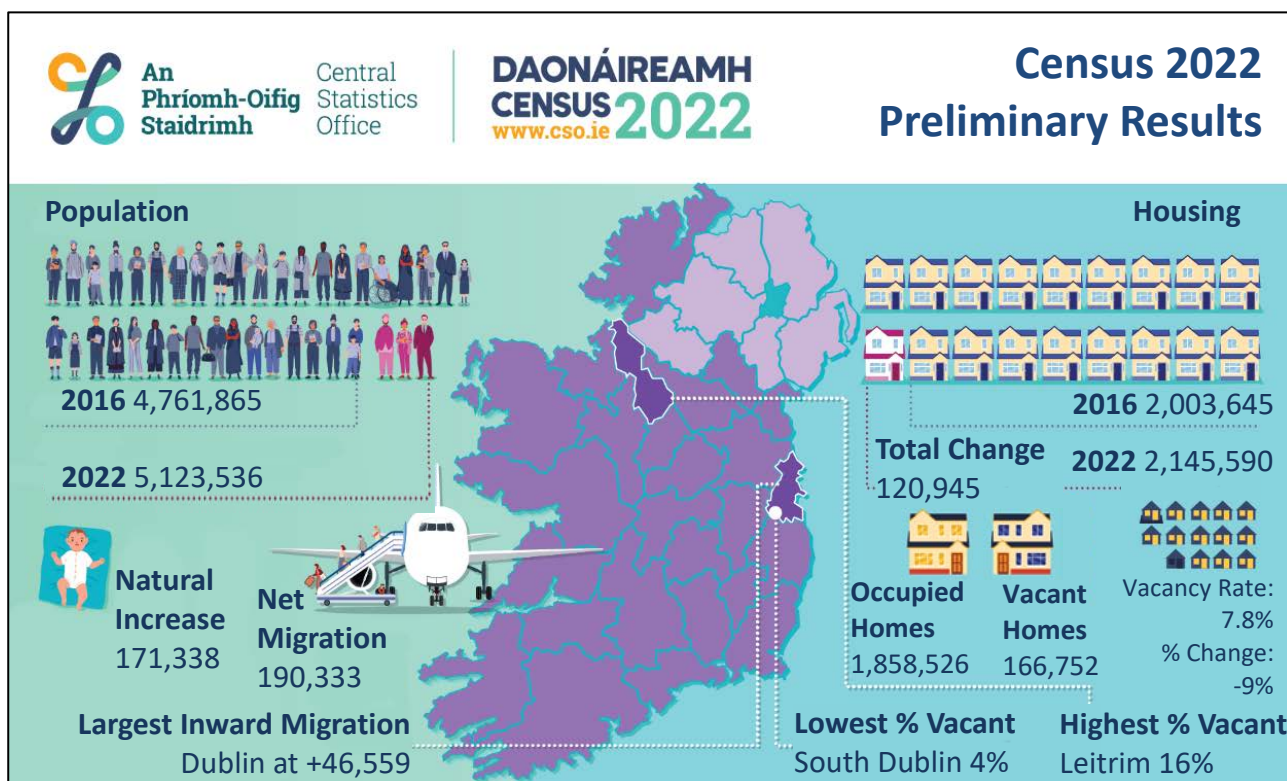
Question 12

David Byrne's monthly wage is €3,000. He pays PAYE at the rate of 20% and has a monthly tax credit of €295.

Calculate David's monthly net pay by filling in the **five** unshaded areas, numbered (i) to (v), in the table below.

	€	€	Workings
Gross Pay		(i) 3,000 1m	
PAYE @ 20%	(ii) 600 1m		
<i>Less Tax Credit</i>	(iii) 295 1m		
Tax payable		(iv) 305 1m OF	
Net Pay		(v) 2,695 2m OF	

Question 13



Adapted from www.cso.ie

- (i) According to the infographic above, what is the population of Ireland in 2022?

5,123, 536

- (ii) Explain **one** impact that an increase in population might have on Irish society.

There will be greater demand for goods and services so businesses in Ireland will make more profit or be able to employ more workers.

There will be a greater demand for public services such as health / schools transport, this will put a strain on government services.

There will be a greater demand for housing (private and social). The government must provide more social housing and allow more planning permission for private houses.

There will be more traffic and pollution which would lead to added personal stress/ reduce quality of life.

Question 14

Tom has €10 to spend. He wants to buy phone credit and a t-shirt, but he does not have enough money to buy both items. He chooses to buy €10 phone credit.

Using the above information identify the financial cost and the opportunity cost for Tom.

Financial Cost:

€10

Opportunity Cost:

The t-shirt

Question 15

Almost 50% of influencer ad content not tagged as advertising.

Adapted from www.ccpc.ie



- (i) Name the law which protects consumers from false or misleading advertising.

Consumer Protection Act 2007

- (ii) Explain **one** drawback to a consumer of shopping online:

Drawback:

Consumer cannot try on or physically touch/sample the goods, which may lead to incorrect purchases/ increase returns / delays.

Returning items to an online retailer can be less convenient than returning items in store.

Security and fraud risks as consumers might unwillingly purchase from a fraudulent website and disclose their personal banking details.

Answer all questions.

All questions carry equal marks.

Question 16

(a)







Kellogg's is a global company selling well known brands such as Corn Flakes, Crunchy Nut, Rice Krispies and Coco Pops.

- (i) Explain what is meant by a global company. (3m)

Many global companies operate in several countries around the world/ worldwide. They conduct/sell business around the world and treat the world as one market.

- (ii) Three other company logos are pictured below. Place a tick (✓) to identify which companies are global. (6m)

Company Logo			
Global	✓	✓	

- (iii) Explain **two** challenges facing global companies such as Kellogg's. (6m)

Global companies have to pay very high transport costs to deliver goods outside the country of origin, increases production costs or reduce profits. There will be currency differences which will involve a financial cost. Companies deal with foreign politics, legislation, policies, which incur administration/legal costs/ time issues.
Current issues, for e.g., the delays of importing wheat from Ukraine leads to uncertainty, scarcity or delays in distribution.
Language barriers /cultural differences may create global public relations and global marketing mistakes.
Imitation by competitors, resulting in close substitutes from low cost countries leading to decreased sales/profits.

- (b) Kellogg's launched a new product, *Hazelnut Choc Coco Pops*, to the Irish Market in 2022. They have 30% less sugar than other chocolate covered rice cereals



- (i) Identify a target market for the new *Hazelnut Choc Coco Pops*. (3m)

Families with young children who are looking for a healthier breakfast cereal/ Health conscious people.
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- (ii) State **one** method of desk research and **one** method of field research that Kellogg's could use to identify its target market: (6m)

Desk Research:
Kellogg's could study existing documents e.g., medical reports, CSO population figures. Social media type.
Field Research:
Kellogg's could conduct surveys in supermarkets asking parents about the product. They could have tasting surveys or sampling.

- (iii) Kellogg's is very proud of its commitment to global sustainability working towards eight goals, one of which focuses on the area of packaging.



Explain the term 'sustainable development'.

(3m)

They should be able to meet their present needs without compromising the needs of future generations. This means that companies need to balance their production against economic, social and environmental needs. For example, recycling, changing to electric cars.

- (iv) 'In addition to making food that customers love, Kellogg's have a commitment to doing what's best for people and the planet.'

Kellogg's, 2020 Goals

Other than *resource-efficient packaging*, outline **two** ways in which Kellogg's can operate in a sustainable manner to protect people and the planet.

(6m)

Kellogg's could use renewable sources of energy in their factories to reduce carbon impact on the environment.

They could ensure that raw materials used are produced in such a way to minimise environmental damage e.g., using fairtrade, making sure the farmer/producer gets a fair price for the produce sold.

They could use electric or hybrid vehicles when delivering their products globally.

Recycle waste where possible, making the planet a cleaner place and more sustainable for future generations.

Promote awareness amongst staff for the need to be environmentally friendly, which leads to ethical behavior.

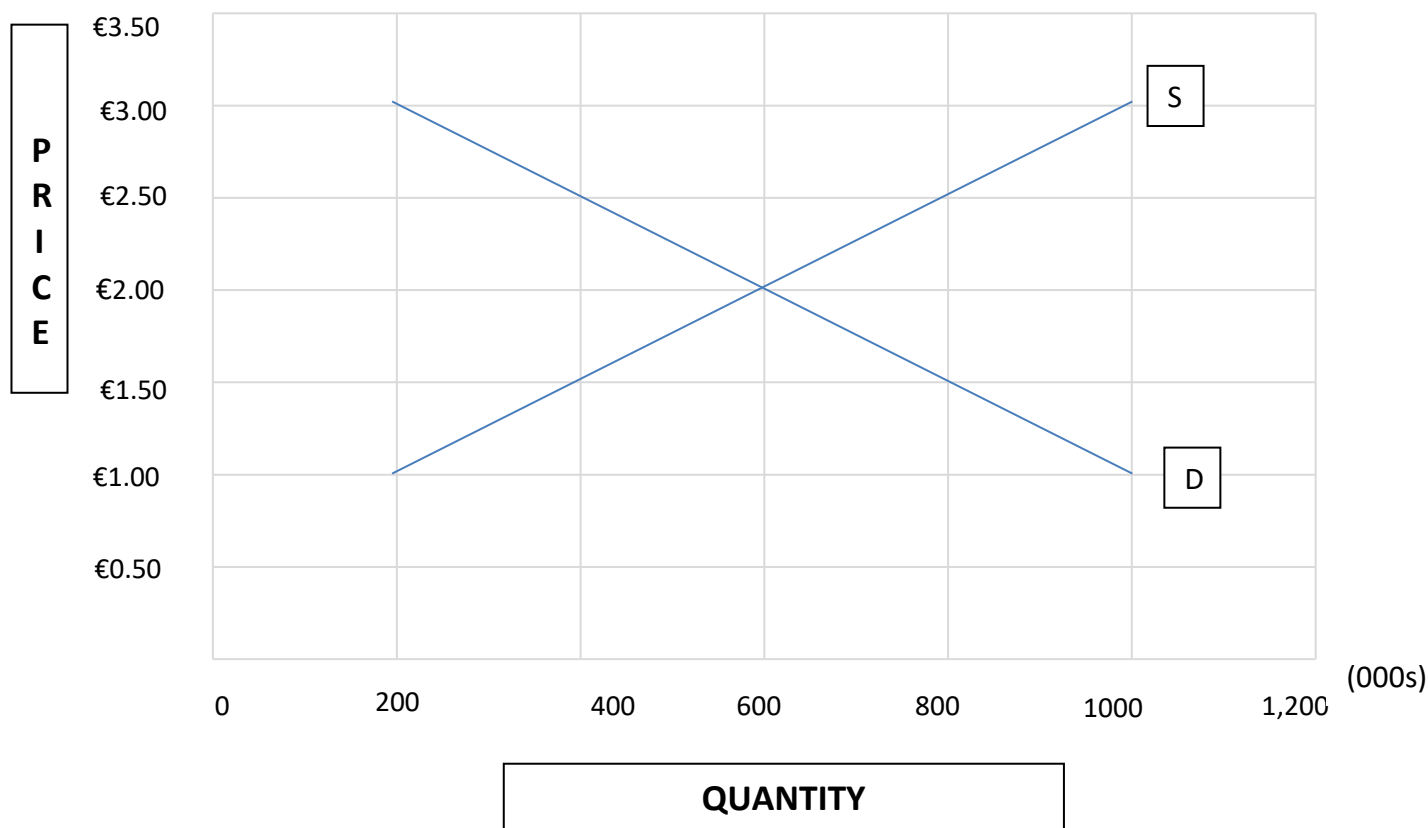
- (c) A competitor has entered the breakfast market selling Corn Crispies, a fluffy and light morning cereal.

The predicted supply and demand from market research is listed below:

Price	Quantity Demanded (000s)	Quantity Supplied (000s)
€1.00	1,000	200
€1.50	800	400
€2.00	600	600
€2.50	400	800
€3.00	200	1,000

- (i) Using the information above, draw and label the demand and supply curves for Corn Crispies, include a title for your graph and label each axis. **(15m)**

Demand and Supply Curves for Corn Crispies



- (ii) Using your diagram, or otherwise, identify the equilibrium price and equilibrium quantity.

Write your answers in the table below.

(6m)

Equilibrium Price:	€ 2 O.F
Equilibrium Quantity:	600,000 O.F units

- (iii) Outline **two** factors other than competition, the new company should consider when deciding the price for their new product Corn Crispies. (6m)

Cost of Production must be covered so that a profit can be made.
Customer expectations/ find out who is the target market/ the level of demand/ income level and how much they are willing to pay.
The various stages in a product life cycle, the new company might use a low introductory price to entice consumers to buy it.
Levels of profit- interested in the mark-up/margin that would be attained.
Branding-if your brand is recognised, you can create a price premium by highlighting the distinctive features (USP) or benefits that justify a high price.

Question 17

Clean Cosmetics Ltd is an organic skincare retailer located in Dublin. To further increase sales, they have recently launched an online store.



- (a) Complete and balance the Analysed Cash Book of Clean Cosmetics Ltd for the month of May 2023 using the information below:

Date	Transaction	Amount €
04/05/23	Sold goods	15,000 plus VAT 23%
09/05/23	Shareholders invested capital into the business	12,500
12/05/23	Paid telephone & broadband	1,700
17/05/23	Purchased goods for resale	10,000 plus VAT €2,300
26/05/23	Paid wages	14,000
30/05/23	Sold goods	18,000 plus VAT 23%

Workings if required:

(b) Post all totals and balances from the Analysed Cash Book of Clean Cosmetics Ltd to the relevant ledger accounts below.

Dr **Sales a/c 1m** **Cr**

Date	Details	Total	Date	Details	Total
			31/05/23	Bank/Cash	33,000 3m

Dr **VAT a/c 1m** **Cr**

31/05/23	Purchases	2,300 1m	31/05/23	Sales	7,590 2mOF
31/05/23	Balance c/d	5,290 1mOF			
		7,590			7,590
			01/06/23	Balance b/d	5,290 1mOF

Dr **Share Capital a/c 1m** **Cr**

			31/05/23	Bank/Cash	12,500 1m

Dr

Purchases a/c 1m

Cr

Date	Details	Total	Date	Details	Total
31/05/23	Bank/Cash	10,000 1m			

Dr

Wages a/c 1m

Cr

Date	Details	Total	Date	Details	Total
31/05/23	Bank/Cash	14,000 1m			

Dr

Telephone & Broadband a/c 1m

Cr

Date	Details	Total	Date	Details	Total
31/05/23	Bank/Cash	1,700 1m			

1m for Dates

- (c) (i) One of the expenses of Clean Cosmetics Ltd is telephone & broadband. Outline **two** benefits of reliable and high-speed broadband to Clean Cosmetics Ltd. **(6m)**

Clean Cosmetics Ltd can increase sales/profits when they use the internet to sell their products on a global market.
Clean Cosmetics Ltd can improve communication when they use email to contact customers and suppliers.
Banking and payments can all be done electronically which saves time.
Clean Cosmetics Ltd could improve speed of work completion when they conduct detailed online market research to easily research new customers/ideas.
Improved efficiency across the business as tasks such as ordering, stock control etc. can be done in a speedier fashion/ safer method of business.
Clean Cosmetics will boost morale by allowing remote working which allows staff to work offsite using platforms such as zoom/Microsoft teams.

- (ii) Clean Cosmetics Ltd is considering various promotional methods to market its products. They have decided to advertise on social media.

List **two** social media platforms they could use to target potential customers. **(6m)**

Tik Tok	Snapchat	LinkedIn	X (Twitter)
Instagram	Pinterest	Youtube	Facebook
Any other acceptable answer			

- (iii) Recommend two other methods of **promotion** that Clean Cosmetics Ltd could use to market its products. Give a reason for each recommendation. **(8m)**

Method 1: Sales Promotion.
Reason: Free gifts. Clean Cosmetics Ltd. could offer a free gift with any purchase for a limited time only. This might entice consumers to purchase something as they are getting more for the same price and will not want to miss out once the promotion time expires. Other acceptable answers such as Money off coupons. BOGOF, 2 for 1, loyalty cards, special offers, free samples, special introductory price.

Method 2: Public Relations
Reason: Sponsorship, providing financial support, in return for promoting its business or product/service. Business can benefit by becoming popular within the community. Other acceptable answers such as competitions
Method 3: Personal selling
Reason: Goal is to get customer attention, seek issues or problems, needs and wants. Meeting with customers to show them different cosmetics and trying them on. Face to face interaction. Other acceptable answers such as direct marketing
Method 4: Merchandising
Reason: Placing products in optimum positions in retail outlets, to attract the attention of the customer.
Method 5: Celebrity endorsement
Reason: Use a celebrity fame or social status to promote a product and raise awareness about the product. Example influencers like the Kardashians.

Question 18

(a) Mary Fahey has recently completed her Leaving Certificate and has accepted a place studying Business at third level. She has €500 in opening cash on 1 October. She has provided the following information:

- Mary plans to spend €200 a month on groceries and food.
- Bills for electricity will amount to €30 in October, €50 in November and €55 in December.
- Mary's mobile phone contract costs €45 per month.
- Mary plans to spend €80 a month on entertainment. She will spend an additional €70 in December.

Using the information provided, complete Mary's budget.

Mary's total income and fixed expenditure has been completed for you.

(32 m)

Mary's Budget	October	November	December	Total
Planned Income				
Mary – wages	480	480	580	1,540
SUSI grant	340	340	340	1,020
Monthly allowance	200	200	200	600
Total Income (A)	1,020	1,020	1,120	3,160
Planned Expenditure				
Fixed Expenditure				
Rent	650	650	650	1,950
<i>Subtotal</i>	650	650	650	1,950
Irregular Expenditure				
Groceries and food	200 1m	200 1m	200 1m	600 1m
Electricity	30 1m	50 1m	55 1m	135 1m
Mobile Phone	45 1m	45 1m	45 1m	135 1m
<i>Subtotal</i>	275	295	300	870
Discretionary Expenditure				
Entertainment	80 1m	80 1m	150 1m	310 1m
<i>Subtotal</i>	80	80	150	310
Total Expenditure (B)	1,005 1m OF	1,025 1m OF	1,100 1m OF	3,130 1m OF
Net cash (A – B)	15 1m O.F	(5) 1m O.F	20 1m O.F	30 1m O.F
Opening cash	500 1m	515 1m O.F	510 1m O.F	500 1m
Closing cash	515 1m O.F	510 1m O.F	530 1m O.F	530 1m O.F

- (b) Mary is thinking of purchasing a car to make her commute to college easier. She is considering taking out a loan of €5,000 to purchase a car. She has completed some online research and found the following repayment options available at her local Credit Union.

North Midlands Credit Union

Loan Calculator

Select Loan Purpose:
Car Loan 7.9%

I'd like to borrow:
5,000

Loan term (months):
36

APR 8.2%

Repayment Summary*

Repayment	Total	Interest
Weekly €36.02	€5,619.66	€619.66
Fortnightly €72.10	€5,623.44	€623.44
Monthly €156.45	€5,632.25	€632.25

*Terms & Conditions Apply. All figures given on this website are for your general information only, and give a rough guide to loan repayments. Any statements on this website do not purport to be authoritative or legally binding. You are advised to check with our offices for up-to-date rates and offers.

[Enquire Here](#) [Apply Now](#)

<https://www.northmidlandscu.ie/loans/personal-loan>

- (i) If Mary took out the loan in October and chose the **monthly** repayment option shown above, what would the total repayment be in one year? (3 m)

Answer	Workings
€ 1,877.40	156.45 1m x 12 1m = €1,877.40

- (ii) What effect would the monthly loan repayment have on her net cash figure in October? (3 m)

Effect:
Mary's net cash will decrease. It will change from being a surplus of €15 to a deficit of €141.45 when the car loan is included.

- (iii) In addition to the loan repayment, outline **two** other expenses of running a car. **(6m)**

Insurance, which is required by law.
Motor tax, which is required by law/ helps the Government pay for road maintenance on some public roads.
NCT, which is required by law/ helps the Government subsidise agencies like the Road Safety Authority (RSA).
She will need to make sure that she has enough money to cover the cost of fuel such as diesel/petrol.
Regular servicing as the car may need maintenance and repairs.

- (iv) Would you recommend that Mary purchase a car? Give a reason for your answer. **(4m)**

Recommendation: No / I would not recommend Mary purchase the car.
Reason: Mary does not have sufficient income to afford a monthly loan repayment of €156.45 as well as the other costs associated with running a car. This loan will place too much financial pressure on Mary.
Recommendation: Yes / I would recommend Mary purchase the car.
Reason: It will make her commute to college easier, because she doesn't have to take public transport.

- (c) (i) Mary receives an education grant from the Government (SUSI – Student Universal Support Ireland) to support her in third level education.

Outline **two** reasons why the Government provides financial support for some students in third level education. **(6m)**







It improves access to third level education regardless of income levels/ to help pay for rent/afford going to college
If more students are educated to a third level standard, then Ireland will have a more skilled and qualified workforce.
Time for students to concentrate on their studies which would enhance their overall wellbeing.
Public Relations, good image for government with electorate/public.

- (ii) The SUSI grant is paid directly into Mary's bank account.

Explain **two** other services provided by banks for current account holders.

(6m)

Direct debit – an agreement between the bank and the account holder which generally allows a variable amount to be taken from an account on any date.
Standing order – an instruction to the bank to pay a fixed amount from an account at regular intervals. It is generally used when the amount to be paid does not change e.g., a car loan.
Online banking – this is the management of finances using the internet. It can be accessed 24/7 and can be used to check balances, transfer funds to pay bills, top up phone credit.
Paypath (SEPA) – a system that allows the employer to pay wages or salaries directly into a current account.
Overdraft facilities – this is when there is an arrangement with the bank to withdraw more money than is in the current account. The bank will charge interest for this facility.
Loans- These are given to customers; interest has to be paid and the loan must be repaid.
Debit card/Tap (contactless payment)/ digital wallet – this is a way of making payments when shopping. The amount is deducted immediately from the current account.
Credit card- this is a way of making payments when shopping. The consumer buys now and pays later.
ATM- These have a series of services like withdrawal, lodge, mobile phone top ups, PIN change, get cheque books, Pay bills...

Annotation	Use
	Valid information (n marks)
	No marks awarded. Answer incorrect or insufficient.
	Page seen by examiner / Information not valid.
	Candidate's own figure earns marks.
	Surplus answer or part of answer. Marks awarded elsewhere.
	Transposition

