



Coimisiún na Scrúduithe Stáit
State Examinations Commission

Junior Cycle 2025

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

Indicate whether **each** of the assets of a company listed below are fixed or current by placing a tick (✓) in the correct box:

Assets	Fixed	Current
Premises 	✓	
Cash 		✓
Delivery Vehicle 	✓	

Question 2

In 2022, there was an increase of €32m raised through sugar tax in Ireland.

Indicate whether the sugar tax is a direct tax or an indirect tax, by placing a tick (✓) in the correct box below.

Direct Tax

☐

Indirect Tax

☒

Give a reason for your answer.

Reason: Indirect tax is a tax on spending/indirect tax is levied on goods and is included in the price paid by consumers. The seller then collects and sends to the Irish Government.

Question 3

The Labour Force Survey graphic below from the Central Statistics Office shows the employment and unemployment figures for Quarter 1 2022 and Quarter 1 2023.



CSO Labour Force Survey Q1 2023

- (i) What does the info graphic show about the change in employment in Ireland from Quarter 1 2022 to Quarter 1 2023?

Has risen by 4.1%/ Increased from 2,505,800 to 2,608,500/ Increased by 102,700

- (ii) Outline **one** benefit to the economy of the change in employment.

More income tax collected/ PAYE revenue for the Government which the Government then uses this tax on improving/providing public facilities/services.

Less money being paid out on Jobseekers benefit/allowance so Government then uses this tax on improving/providing public facilities/services.

Better quality public services as government have more revenue to spend on them which will benefit local communities and the wellbeing of its citizens.

This could lead to a Budget surplus which the Government could use the surplus on improving/providing public facilities/services.

Question 4

Businesses are increasingly using technology to help them to drive success.

Describe **one** social cost and **one** environmental cost of the advances in technology in recent years.

Social Cost:

Less of a sense of community as people may work from home/ less social interaction with fellow employees.

Can affect work life balance as it may be difficult for employees to switch off.

Fewer job opportunities may be available which will increase/ extend the unemployment figures as existing jobs are being replaced with AI or alternative IT platforms.

Regular training for updates in technology may lead to increased stress levels for employees.

Environmental Cost:

Increased carbon footprint/air pollution due to increased emissions to power this technology which has a long- lasting detrimental effect on climate.

Increased e-waste produced when these items become obsolete quickly, this waste is hard to dispose of and will have an adverse effect on ozone depletion/deforestation/soil and water.

Question 5

Using the information given on the invoice extract below, complete the three blank spaces.

	€
Total (excluding VAT)	25,000
Trade Discount (10%)	2,500
Subtotal	22,500 2m
VAT (23%)	5,175 2m O.F.
Total (including VAT)	27,675 2m O.F.

Question 6

Indicate with a tick (✓) in the table below which sources of income are regular and which are irregular.

Source of Income	Regular	Irregular
Basic Wage	✓	
Child Benefit	✓	
Bonus		✓

Question 7

Abbey Moran has recently started a job as an Accountant with K&K Windows Ltd in Co. Wexford. Outline **one** right that Abbey has as an employee and **one** responsibility she has to her employer.

Right:
A fair day's pay for a fair day's work.
Not be discriminated against i.e., religious belief, sexual orientation
To have safe working conditions i.e., ergonomic furniture.
To get a contract of employment i.e., written or oral.
To join a trade union to protect their rights.
To be paid at least the minimum wage.
Responsibility:
To do an honest day's work for their pay.
To be loyal to the employer/ employer's property.
To complete what is in their contract of employment.
To follow health and safety procedures in the workplace.
To attend work on time/ Be punctual to work at all times.

Question 8

Cadbury launched their Vegan Plant Based Bars in 2022.



(i) Identify a target market for these products.

Vegans or people that do not eat foods that come from animals including dairy products and eggs.

(ii) Outline **one** reason why Cadbury decided to produce vegan plant bars.

They saw a demand for it/ a gap in the market so as to satisfy customer demand and this increased their profits/sales/fulfilled its sustainability commitment.

To stay ahead of competition so they can improve their reputation/so that they keep up with market trends/increase sales.

Question 9

Indicate whether each of the following people work in the public or private sector by placing a tick (✓) in the correct box.

	Public Sector	Private Sector
Gardaí	✓	
Shop Assistant in Tesco		✓
Pilot with Ryanair		✓

Question 10

(i) Explain the term impulse buying.

Buying something on the spur of the moment without thinking/ an unplanned purchase.

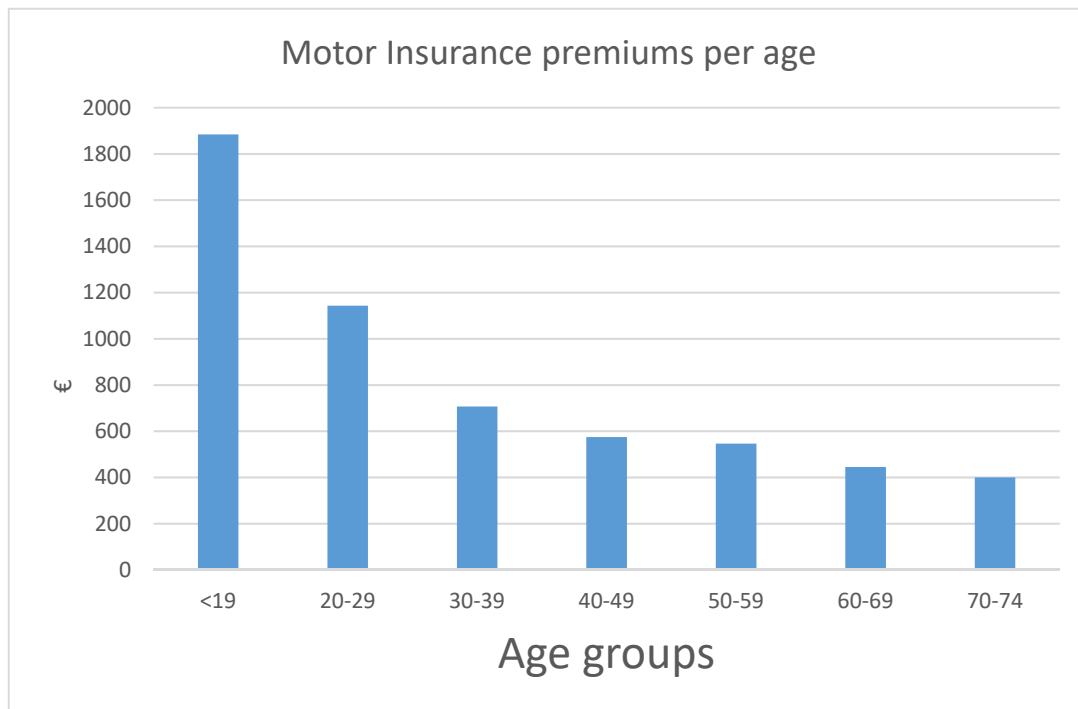
(ii) Outline **one** risk for a consumer when involved in impulse buying.

Fall into debt which could add to their financial strain.

Less money to spend on essential items / necessities.

May result in the consumer overspending which could result in low self-esteem/regret/dissatisfaction.

Question 11



Adapted from *Chill insurance*

The above chart shows the average motor insurance premiums in Ireland in 2023.

- (i) Explain the term insurance premium.

It is the payment/fee for insurance/ How much it costs to insure your property for a period of time usually a year/ How much insurance costs you/ How much you pay for insurance. It is paid by the insured or the person taking out the insurance. Higher the risk higher the premium.

- (ii) What does the above chart show about motor insurance premiums?

Average motor insurance premiums decrease as a driver gets older.

Premiums depend on the age of the driver e.g., 20–29-year-old pay approx €1,100 average whereas 60-69 year old pay approx €500 average.

Everybody does not pay the same premium e.g., 20–29-year-old pay approx €1,100 average whereas 60-69 year old pay approx €500 average.

Question 12

“Taylor Swift announces Dublin concerts”

The Irish Times June 20th 2023



Explain **two** factors which affect the demand for Taylor Swift concert tickets.

Price of the good – The higher the price of a product, the lower the demand. People will not buy the tickets if they become too expensive so demand will fall.
Consumer income – If income in the household is high/increasing, demand for a product will increase. People will demand the tickets if they can afford to buy them.
Advertising – Will let consumers know the products are available. Concert tickets being advertised heavily will increase consumer demand as more people will know they are available.
Price of complementary goods – As the price of complementary goods increases, demand for the product will fall. If transport/accommodation become too expensive demand for tickets will also fall as people will not be able to attend the concert.
Price of substitute goods – If the price of a substitute good (other concert/entertainment) decreases people will switch to this alternative. If the price of tickets for a similar concert/entertainment fall, people will not demand the Taylor Swift concert tickets and will attend the cheaper other concert/entertainment instead.
Consumer tastes/preferences – If the product is popular among consumers, demand for the product will increase. Demand for Taylor Swift concert tickets will be high as she is popular among her fan base.
Consumer expectations – If consumers expect prices to rise in the future, demand for the product will be high. If people wish to buy concert tickets and they expect the price to rise in the future, they will buy the tickets at their current price.

Question 13

A sales assistant earns €14 per hour and double time if they work Saturday or Sunday.

Calculate their Gross Pay this week if they worked 12 hours during the week and 7 hours at the weekend.

Workings:

Weekday 12 hours X €14 = 168 2m

Weekend 7 hours X €28 = 196 2m

= Gross Pay = €364

Answer: **€1m 364 1m O.F.**

Question 14

Complete the following Income Statement of Doyle Ltd for the year ended 31/12/2023:

Income Statement of Doyle Ltd for the year ended 31/12/2023		
	€	€
Sales		500,000
Less Cost of sales		
Opening Stock	20,000	
Purchases	280,000	
	300,000 2m	
Less Closing Stock	15,000	
Cost of Sales		285,000 2m O.F.
Gross Profit		215,000 2m O.F.

Question 15

It is estimated there are 4,300 social enterprises operating in Ireland.

Adapted from Gov.ie July 2024

(i) Explain what is meant by a social enterprise.

A business set up to provide essential services to its local community or to address social, economic or environmental issues affecting the local community.

Social enterprises do not operate like a charity relying on donations to survive, but instead generate income from their social activity.

Put people and community ahead of private and personal gain plus example.

(ii) Describe **one** challenge facing social enterprises.

Attracting funding can be challenging since investors often prioritise financial returns.

While they aim to address social, environmental, or community needs, social enterprises still need to generate sufficient revenue to cover costs and fund their initiatives

Lack of employees with certain skills which could force social enterprise to close.

Answer all 3 questions.

All questions carry equal marks.

Question 16



(a) David and Linda Evans live in Tralee, Co. Kerry with their three children. David Evans is a teacher, while Linda is a paramedic. They want to save for their children's future education.

(i) Recommend **two different types** of Financial Institution where David and Linda could save their money.

Give **a different** reason for each recommendation. **8m**

Two Financial Institutions: Post Office, Credit Union, Building Society, Commercial Bank, Revolut.

Reason: Safe because it is State guaranteed. Earns interest as amount increases every year. Easy to withdraw/convenient as customers have online access/ in local community. Build up a reputation with the institution to get loans in the future.

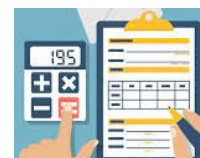
(ii) There are a number of stages in a personal financial life cycle.

Each stage has different wants which are funded by different sources of income.

Give an example for each of the following statements. **6m**

Statement	Example
A want for a dependent/reliant person:	Sweets, toys, holidays
Source of income for a retired person:	Pension, interest on saving, rental income

(b) A budget is an essential part of running any family household. **6m**



(i) Outline **two** reasons why family households should prepare a budget.

To plan their future expenditure to ensure they live within their means.
To support an application for a loan or a bank overdraft so the family can get the finance when needed most.
To estimate their closing cash balance at the end of each month so that adjustments can be made where necessary, ensure your spending your money wisely.
To forecast their future income so they are in control of their money/stay prepared for emergencies.

(ii) The Evans Family have prepared their household budget for January to April.

Fill in the blank boxes in the table below to complete the Evans Family Budget. **16m**

Evans Family Budget	January	February	March	April	Total
	€	€	€	€	€
Income (A)	5,200	5,200	5,650	5,200	21,250 1m
Expenditure (B)	3,800	3,450	4,100	5,420	16,770 1m
Net Cash (A-B)	1,400 1m	1,750 1m	1,550 1m	(220) 1m	4,480 1m O.F
Opening Cash	600	2,000 1m O.F	3,750 1m O.F	5,300 1m O.F	600 1m
Closing Cash	2,000 1m O.F	3,750 1m O.F	5,300 1m O.F	5,080 1m O.F	5,080 1m O.F

Workings if required:

(iii) Based on their budget, can the Evan's family afford to save €500 per month? **3m**

Indicate by placing a tick (✓) in the correct box.

Yes

☒

No

☐

Give a reason for your answer.

Reason: €500 over 4 months is €2,000, they can comfortably afford to save €500 per month. They have closing balance in net cash of €4,480.

(c) (i) List **three** taxes that the Evans family may have to pay. **9m**

Income tax/PAYE.
USC, Motor Tax, DIRT, VAT, Excise Duties, Customs Duties, LPT, Carbon tax, Sugar tax.

(ii) Taxation is the main source of income in Ireland's National Budget.

Apart from Taxation, explain **two** other sources of income for the Irish Government. **6m**

EU Grants, money received from the EU for a specific purpose or conditions attached that does not have to be paid back e.g., Covid, motorways etc.
EU Loans, money received that has to be paid back with interest and the loan may be for a specific purpose e.g., bailout or children's hospital
Fees/Fines charged by State Bodies which helps aid certain Government projects.
The sale of state bodies (Privatisation) is important for the Government as it gives much needed income for certain capital projects.

(iii) The European Central Bank (ECB) interest rates rose to a 22 year high in 2022.

Describe **one** impact that a rise in interest rates could have on each of the following: **6m**

Savings: Increase in savings due to higher return on investment/ Movement of cash from risky investments to saving accounts due to higher return on investment.
Borrowing: Decrease in borrowing as borrowing will cost more to repay.

Question 17 (a) (i) Complete the Analysed Cash Book of Eat Right Ltd for the month of May in 2024 from the information provided below and balance the account. **19m** (Dates 1m Details 2m)

Date	Transaction	Amount €	Workings if required
01/05/2024	Shareholders invested in the company	17,500	
03/05/2024	Purchased goods for resale	9,000 + VAT@23%	
05/05/2024	Sold goods	11,000 + VAT@23%	
12/05/2024	Paid wages	3,000	
19/05/2024	Paid electricity bill	2,000	
26/05/2024	Paid wages	3,000	

Dr		Analysed Cash Book of Eat Right Ltd										Cr
Date	Details	Bank	Sales	Vat	Capital	Date	Details	Bank	Purchases	VAT	Electricity	Wages
2024		€	€	€	€	2024		€	€	€	€	€
1/5	Capital	17,500 1m			17,500 1m	3/5	Purchases	11,070 1m O.F.	9,000 1m	2,070 1m		
5/5	Sales	13,530 1m O.F.	11,000 1m	2,530 1m		12/5	Wages	3,000 1m				3,000 1m
						19/5	Electricity	2,000 1m			2,000 1m	
						26/5	Wages	3,000 1m				3,000 1m
						31/5	Balance c/d	11,960 1m O.F.				
		31,030	11,000	2,530	17,500			31,030	9,000	2,070	2,000	6,000
1/6	Balance b/d	11,960 1m O.F.										

- (ii) Post all relevant totals from the Analysed Cash Book of Eat Right Ltd to the ledger accounts below **18m** (Date 2m)

Dr			Capital a/c 1m			Cr		
Date	Details	Total	Date	Details	Total			
			31/5/24	Bank / Cash	17,500 1m			

Dr			Sales a/c 1m			Cr		
Date	Details	Total	Date	Details	Total			
			31/5/24	Bank / Cash	11,000 1m			

Dr			Purchases a/c 1m			Cr		
Date	Details	Total	Date	Details	Total			
31/5/24	Bank / Cash	9,000 1m						

Dr

Electricity a/c 1m

Cr

Date	Details	Total	Date	Details	Total
31/5/24	Bank / Cash	2,000 1m			

Dr

Wages a/c 1m

Cr

Date	Details	Total	Date	Details	Total
31/5/24	Bank / Cash	6,000 2m			

Dr

VAT a/c 1m

Cr

Date	Details	Total	Date	Details	Total
31/5/24	Purchases	2,070 1m O.F.	31/5/24	Sales	2,530 1m O.F.
31/5/24	Balance c/d	460 1m O.F.			
		<u>2,530</u>			<u>2,530</u>
			1/6/24	Balance b/d	460 1m O.F.

(iii) Using the ledger balances complete the trial balance for Eat Right Ltd. **8m**

Trial Balance of Eat Right Ltd as at 31 st May 2024		
	Dr	Cr
Capital		17,500 1m O.F.
Sales		11,000 1m O.F.
Purchases	9,000 1m O.F.	
Electricity	2,000 1m O.F.	
Wages	6,000 1m O.F.	
VAT		460 1m O.F.
Bank	11,960 1m O.F.	
	28,960 O.F.	28,960 O.F.



1m

- (b)** Ted works as a chef. Recently, he has noticed that more people are looking for healthy food options. He opened his own healthy takeaway business in Mullingar, Co. Westmeath called Healthy Ted Ltd.

(i) Explain **one** risk for Ted in setting up his own business. **3m**

May lose his investment if the business fails.
Not being able to get suitable staff which could affect sales/profits.
Reputation may be damaged which could hinder future projects.
Will have to work long hours which impacts work/home balance.

(ii) Healthy Ted Ltd has an impact on the local area in which it operates.
Describe **two** impacts Healthy Ted Ltd could have on the local area. **6m**

Create local employment which will increase disposable income for local families.
Sponsor local events which create a community spirit in the local area.
Multiplier effect: The additional economic benefit accrued to an area from money being spent in the local economy (Spin-off effects) which could boost local employment.
By selling a healthy takeaway, local people will be encouraged to purchase the healthy option which will reduce the strain on the local health services.
By having a healthy takeaway, Healthy Ted Ltd will bring people into the local area which will increase expenditure/spending in the local area.

(iii) When setting up his business, Ted was advised to prepare a Business Plan by his Local Enterprise Office in Westmeath.

Explain **two** reasons why a business should prepare a Business Plan. **6m**

To support a loan application to attract investment for the future.
To set clear goals which is used to motivate staff.
A benchmark to measure success to identify the areas which need improvement.

Question 18

- (a) (i) Breda's Boutique uses sales promotion as a way to market its products. Explain the term Sales Promotion.
Give **two** examples of sales promotion methods that Breda's Boutique might use. **7m**



Sales Promotion: Methods of increasing sales other than advertising e.g., an incentive/gimmick for people to buy something.

Examples: Price reductions/competitions/loyalty card schemes/Special offers/ free samples/sponsorship/discounts.

- (ii) Identify **three** characteristics of a good consumer. **9m**

Shop around/only buys from reliable sources.

Keep receipts.

Not buy on impulse, know their rights/no false economies, know how to make a complaint.

- (iii) Mary bought a dress in Breda's Boutique for €150.
When she brought it home, she realised it did not match her jacket.
The next day Mary went back to Breda's Boutique looking for a refund.

Is Mary legally entitled to a refund? **3m**

Indicate by placing a tick (✓) in the correct box.

Yes

☐

No

☒




Give a reason for your answer.

Reason:

She changed her mind or now realises the dress does not match her outfit.

There was nothing wrong with the dress so the shop is not responsible.

- (b) (i)** Ireland trades with many countries all over the world. Read the statements below and complete the table by placing a tick (✓) in the correct box: **9m**

Statement		Visible Import	Invisible Import	Visible Export
Irish beef sold in Britain				✓
Irish people holidaying in Spain			✓	
German cars sold in Ireland		✓		

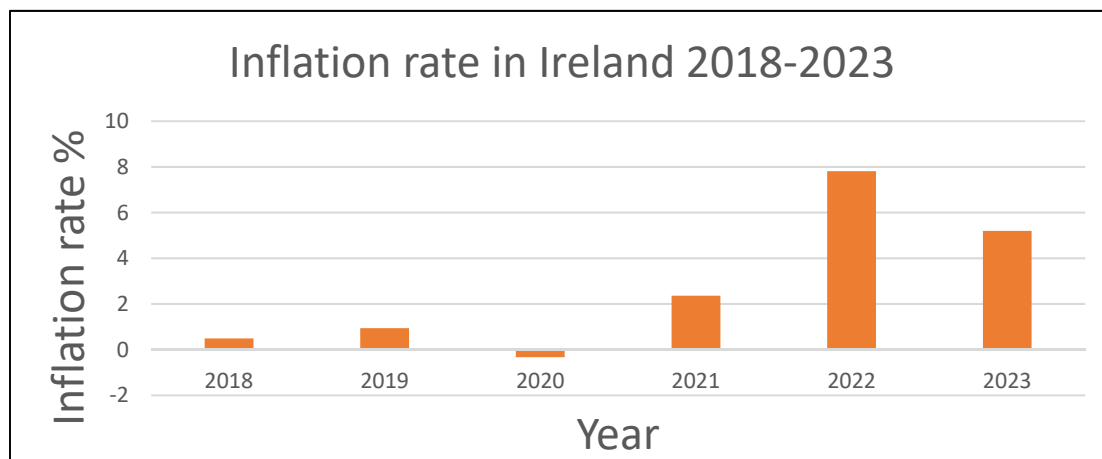
- (ii)** Many Multi-National Companies (MNCs) have moved to Ireland in the last number of years.
Outline **two** reasons why these companies find Ireland an attractive location to set up a business. **6m**

Part of the European Union with a gateway to European Union for International companies.
Low Corporation tax of 12.5% / which increases profits.
English speaking country which is good for international companies.
Readily available educated skilled workforce compared to other countries which reduces training costs.
Irish Government may offer grants to locate here which helps lower set-up costs.

- (iii)** Some of these MNCs are now considering relocating away from Ireland.
Explain **one** reason why they might relocate to other countries. **3m**

Labour costs have become very high in Ireland compared to other countries especially in developing world. By moving it helps reduce companies' costs.
Shortage of housing and increased accommodation costs makes it less attractive for workers to remain here as they can't house their families.
Skills shortage in certain areas which can be met in other countries.
Location on the edge of Europe means increased transport costs.

(c)



Adapted from *cso.ie*

(i) Using the information in the bar chart above, what year had the highest inflation rate? **5m**

Year: 2022

(ii) Explain **one** cause of inflation. **3m**

Demand exceeds supply / scarcity which increases price of goods and services. (Demand pull inflation).

When there is an increase in cost of production costs, ie wages, energy, the cost increase is likely to be passed onto the consumer. This will lead to an increase in price of goods and services. (Cost push inflation)

An increase in indirect taxes, may increase the price of a product.

The cost of living is forcing consumers to be more sustainable.

Adapted from *The Irish Times*

(iii) Outline **two** ways in which consumers can be more sustainable when purchasing goods and services. **6m**

Avoid buying fast fashion products which reduces sweat shops/ decreases wastage at landfills.

Buy items that can be recycled/ Use reusable containers for food storage/ Use a reusable water bottle instead of plastic bottles/ avoid disposable cups which will make the planet cleaner place and more sustainable for future generations.

Buying products whose ingredients are produced in a such a way as to minimise environmental damage e.g., Fairtrade.

Buy electric or hybrid cars which reduces carbon emissions into the atmosphere.

Ireland's Deposit and Return Scheme went live in February 2024.
When you return a plastic bottle or aluminum/steel can that features the Re-Turn logo, you get your deposit back in full.

adapted from *re-turn.ie*









(iv) Explain *two* disadvantages for a business of the Deposit and Return Scheme. 6m

May have to train or employ more staff to provide this service which decreases time spent in other areas of the business / increases business costs.
May give rise to litter around the machines which increases the business' wastage disposal costs.
Installation costs of these machines leads to increased business cost.
Demand is put on the business to have a large area to put this machine.
Consumers may buy less of the items as they are more expensive as the price includes this levy so it reduces sales.

(v) Outline *one* benefit to society of the Deposit and Return Scheme. 3m

Less cans thrown around the place which improves the image of the area.
Less damage to the environment as these cans are being disposed of properly.
Fosters a culture of recycling among the general public which contributes to a healthier planet for future generations.

The table below contains information about annotations used for marking throughout the exam paper

Annotation	Use
	Correct element (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.
	Combined points to award higher mark

