2025.M57

2025L033A1EL

Coimisiún na Scrúduithe Stáit
State Examinations Commission

Leaving Certificate Examination 2025

Business

Section 1 and Answerbook

Higher Level

Thursday 12 June Morning 9:30 - 12:30

400 marks

Examination Number

Date of Birth

For example, 3rd February 2005 is entered as 03 02 05

Centre Stamp

Instructions

Write your Examination Number and your Date of Birth in the boxes on the front cover.

Write your answers to all parts of the examination into this Answerbook. This Answerbook 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 Answerbook.

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 Section 3 carry equal marks.

Make and Model of calculator used:	

Section 1	Short Answer Questions	80 marks

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

1. **Column 1** is a list of business terms.
Column 2 is a list of possible explanations for these terms.
(One explanation does not refer to any of the terms.)

	Column 1: Terms		Column 2: Explanations
1	European Central Bank	A	Directly elected by citizens of all member states of the European Union.
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

2. **(a)** Explain the term Global Business.

(b) Name **two** examples of Global Businesses.

1.
2.

3. In the context of business, what do the following letters stand for?
Write your answers in the spaces provided.

DAC	
MNC	
IBEC	
ICTU	
CAP	

4. Circle the **correct option** in the case of **each** of the following statements.

(i) The term economic growth **does/does not** refer to the growth of one business over a period of time.

(ii) The rate of **employment/unemployment** is the percentage of the labour force that do not currently have work.

(iii) An increase in interest rates will result in **higher/lower** loan repayments.

(iv) Taxation is a **compulsory/voluntary** payment made by households and businesses to the government.

(v) When the euro (€) increases in value against British pound sterling (£), imported goods from the United Kingdom (UK) become **more/less** expensive in Ireland.

5. Distinguish between Capital Gains Tax and Capital Acquisitions Tax.

6. Outline **two** methods a business may use to encourage ethical business practice.

(i)
(ii)

Gearing is an indicator of the financial risk associated with a company.

Adapted from Investopedia.com

7. **(a)** Explain the term Gearing.

The following are the figures relating to Korn Ltd for 2024.

	2024
Authorised Share Capital	€900,000
Issued Share Capital	€550,000
Long Term Loan	€300,000
Reserves/Retained Earnings	€50,000

(b) Calculate the Debt/Equity Ratio. Show your workings.

Workings

Answer ____

8. Outline **two** benefits for a business of developing a matrix organisation structure (team structure) to complete specific projects in a business.

(i)
(ii)

9. **(i)** Explain, using an example, the term import substitution.

(ii) Outline the impact an increase in import substitution would have on the Balance of Payments.

10. Describe **two** factors a business will consider when choosing an appropriate advertising medium.

(i)
(ii)

11. (a) Explain the term inflation.

(b) List two causes of inflation.

1.
2.

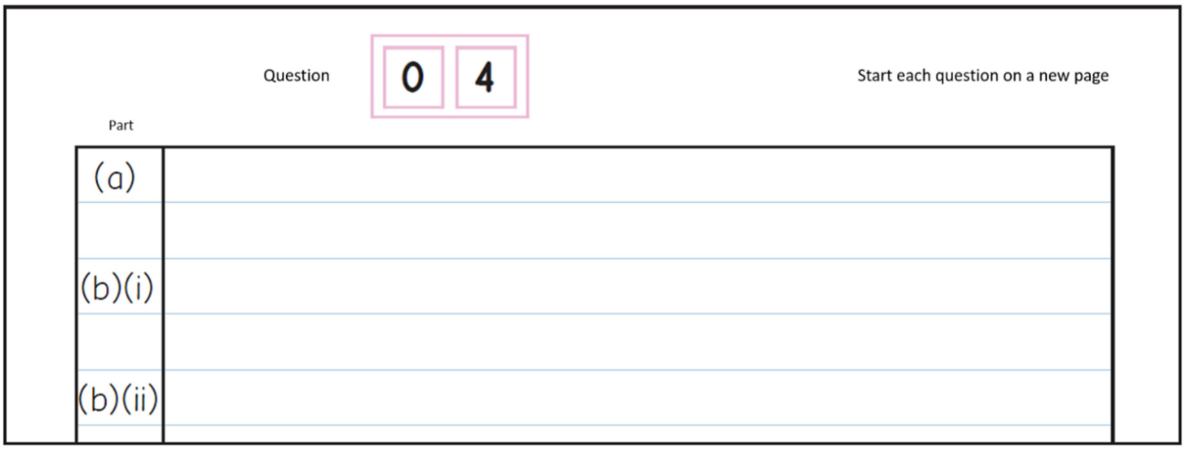
12. Outline **two** functions of a Local Enterprise Office (LEO) in supporting small businesses in Ireland.

(i)
(ii)

Answerbook for Section 2 & 3

Instructions

Questions for **Section 2 & 3** are supplied separately.
Start each question on a new page. Write the question number in the box at the top of each page. Use the left-hand column to label each part, as shown below.



Two pages of graph paper are provided in this answerbook. On pages with graph paper, the box for the question number is at the bottom of the page.

You do not need to use all of the pages in this answerbook. If you run out of space in this answerbook, you may ask the superintendent for more paper or graph paper.

Write your answers in blue or black pen. You may use pencil for sketches, graphs and diagrams only.

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Leaving Certificate – Higher Level

Business Section 1 and Answerbook

Thursday 12 June

Morning 9:30 - 12:30

Coimisiún na Scrúduithe Stáit
State Examinations Commission

Leaving Certificate Examination 2025

Business – Higher Level

Sections 2 and 3

Thursday 12 June Morning 9:30 - 12:30

Candidates are required to answer:

The Applied Business Question in Section 2 AND

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 Section 3 carry equal marks.

Do not hand this up.

This document will not be returned to the State Examinations Commission.

Section 2	Applied Business Question	80 marks

This is a compulsory 80 mark question based on Units 2, 3 and 4.

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

Inis Bia

Inis Bia was founded by Trisha Owens in 2020. Trisha was a chef in a restaurant and noticed a change in consumer tastes. Trisha made the decision to set up her own business after she was made redundant. She opted to convert her shed into a mini factory to start producing healthy readymade meals. Inis Bia's products became popular. Trisha decided to move to a commercial premises as her products were now being sold nationwide.

As Inis Bia grew, the business was faced with challenges. There was an issue as a large customer went into liquidation and failed to pay their outstanding invoices. The consistency of the meals was also a problem as Inis Bia had to change vegetable suppliers to meet with the increased demand. The variation in the consistency of the product caused Inis Bia to miss out on a major contract with a UK multiple. The business was trying to ensure production kept up with large orders from Irish supermarkets. Trisha was struggling to keep accurate records and was worried the business was overspending. She knew she would need to expand the product range offered by Inis Bia in order to stay ahead of competitors. Trisha knew she needed to recruit more staff.

To facilitate the expansion, Trisha appointed Michael Walsh as Human Resources manager. Michael was responsible for ensuring Inis Bia sourced the correct numbers of talented employees to achieve the expansion plans. They advertised positions on recruitment websites and in national and local newspapers. He introduced a 'buddy system' where each new member of staff were partnered with an existing employee to learn more about the different aspects of the business. Employees also now meet with the Human Resources manager on a regular basis. Incentives have also been introduced such as a loyalty payment for employees who remain at the business for more than three years. Employees were also educated on the fundamentals of teamwork at a recent workshop. An employee was recently appointed as project leader to expand, improve and develop the vegan range of products Inis Bia offer.

(A) Outline the entrepreneurial skills/characteristics displayed by Trisha. Refer to the text in your answer. (20)

(B) **(i)** Evaluate the effectiveness of the types of management control in place at Inis Bia. Refer to the text in your answer.

(ii) Recommend how one type of control could be improved at Inis Bia. (30)

(C) Describe the functions of human resource management (HRM) at Inis Bia. Refer to the text in your answer. (30)

Section 3	240 marks

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**

Read the information supplied and answer the questions which follow.

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

Consideration   Capacity to Contract   Consent to Contract   Legality of form. (20)

(B)

Health unions to ballot members for industrial action over staff shortages

Adapted from rte.ie

Explain, using examples, the different types of industrial action. (20)

(C)

71 year old bar worker awarded €30,000 for age discrimination.

Adapted from newstalk.com

(i) Define discrimination as set out in the Employment Equality Act 1998/2015.

(ii) List **four** grounds other than age and sexual orientation on which discrimination is outlawed under this act. (20)

Question 2	**Domestic Environment**

(A) Illustrate your understanding of the following types of business organisations.

Partnership   Sole Trader   Franchise   Public Limited Company (20)

(B)

> Recent Central Statistics Office figures show the country's unemployment rate stood at just 4.1% in November 2024 - signalling an economy which remains at full employment.
>
> Adapted from cso.ie

Discuss the benefits **and** challenges of increasing employment for Irish businesses. (20)

(C)

Hospitality, tourism and retail firms hold Dublin protest

Adapted from rte.ie

Outline how the Irish government could create a positive climate for business. Use examples to support your answer. (20)

Question 3	International Environment

(A) **(i)** Describe, with examples the difference between a directive and a regulation as forms of law in the European Union (EU).

(ii) Explain the impact of an established EU directive on Irish businesses. (20)

(B) Outline the global marketing mix for a product of your choice. (20)

(C)

> The goal of the World Trade Organisation (WTO) is to ensure that trade flows as smoothly and freely as possible. Adapted from wto.org

Illustrate the following barriers to free trade that can exist between countries.

Embargo Quota Subsidy Tariff (20)

Question 4	People in Business

(A) Illustrate each method of terminating a contract named below.

Performance   Frustration   Breach of contract   Agreement   (20)

(B)

> A tech firm that admitted unfairly dismissing its Irish founder has been ordered to pay him a record €464,000 awards package by the Workplace Relations Commission (WRC).
>
> Adapted from the Irish Times

Explain, using an example, the grounds for dismissal that are deemed to be fair under the terms of the Unfair Dismissals Act 1977/2015. (20)

(C) **(i)** Explain the term a competitive relationship.

(ii) Explain the benefits to a business of competitive relationships between;

- two suppliers
- two employees (20)

Part 2
Enterprise

Question 5	**Managing**

Read the information supplied and answer the questions which follow.

> "The single biggest problem in communication is the illusion that it has taken place." — George Bernard Shaw

(A) Discuss the factors to consider when choosing an effective communication medium.
(20)

(B) Conduct a SWOT analysis for a business of your choice.
(20)

(C) **(i)** Outline the implications of a manager adopting McGregor’s Theory X approach to management.

(ii) Explain the factors that influence a manager to adopt a Theory X approach to management. (20)

Question 6	Managing

Read the information supplied and answer the questions which follow.

> The Royal Oak Hotel is a venue for evening functions such as Debs balls in the local area. There is also a restaurant and leisure centre in the hotel. They have requested a letter from their insurance provider, Super Insurance LTD, outlining the types of insurance they recommend a hotel should have in place.

(A) Outline the different types of insurance that The Royal Oak Hotel should have in place. (20)

(B) Discuss the strategies used to manage change in a business. (20)

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

> Gemma is a manager at The Royal Oak Hotel and earns a gross annual salary of €55,000. Her employer provides her with a Benefit in Kind worth €20,000. This is treated as income for tax purposes and is taxed accordingly.

PAYE	
20% on the first €44,000	40% on the balance of her gross income.
Tax Credits	
Single person Tax Credit €1,875 Employee Tax Credit €2,000	
USC	
0.5% on the first €12,012 2% on the next €9,281 3% on the balance	
PRSI	
4% of her gross income	

Calculate each of the following for Gemma. (show your workings)

(i) The PAYE which Gemma has to pay

(ii) The total amount of USC paid.

(iii) The total amount of PRSI paid

(iv) Gemma's net annual take-home pay. (20)

Question 7	Managing/Business in Action

Read the information supplied and answer the questions which follow.

Glanbia acquired The Optimum Nutrition brand in 2008. This was part of a shift in focus towards consumer nutrition products.

(A) Discuss the advantages **and** disadvantages of an acquisition (takeover) as a method of business expansion. (20)

(B) Illustrate **four** stages, apart from launch, that Glanbia may use for developing a new product. (20)

(C)

Anthem Transport Ltd is a large courier business with operations in Ireland. They purchased a small regional courier which has an aging fleet and outdated I.T. system.

Discuss how Anthem Transport Ltd could use different medium-term sources of finance for their medium-term needs. (20)

Question 8	Business in Action

Proctor and Gamble's (P&G) brands include Pampers, Ariel, Gillette and Head & Shoulders.

(A) **(i)** Explain the term product portfolio.

(ii) Illustrate the different methods of market segmentation used by businesses such as Proctor and Gamble. (20)

(B) Describe the reasons why a business conducts market research. (15)

(C) P&G have provided the following information for their new product line.

Forecast Output (Sales)	200,000 units
Selling Price per unit	€10
Fixed Costs	€600,000
Variable Costs per unit	€5

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)

There is no examination material on this page

Do not hand this up

Leaving Certificate 2025 – Higher Level

Business – Sections 2 and 3

Thursday 12 June
Morning 9:30 – 12:30