



Coimisiún na Scrúduithe Stáit
State Examinations Commission

Leaving Certificate Examination
Business – Higher Level
Sections 2 and 3

3 hours

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 is a compulsory 80 mark question based on Units 5, 6 and 7.

Write your answers in the Answerbook containing Section 1

Better Skincare



Joanne and Donal Reidy set up Better Skincare in 2017, creating a range of organic skincare products. Prior to establishing the business, they contacted Enterprise Ireland for advice. Joanne has always had an interest in skincare and had spent years trying to find suitable products for her sensitive skin. Following conversations with friends who had encountered similar difficulties, Joanne decided to design her own skincare brand, using natural organic products from the West of Ireland. The business was difficult to set up as the couple needed to find funding and a reliable supplier of organic raw materials. Sales were slow initially due to a saturated skincare market. However, the couple focused heavily on their USP to gradually get a foothold in the market. As demand increased, they needed to hire extra staff, which proved difficult.

Joanne and Donal began trading as a partnership. However, as the business grew, they decided to change their ownership structure to a private limited company (LTD). Initially, they were concerned about the impact this change would have on decision making in their business. However, their accountant advised that changing their structure would help safeguard their personal assets and offer more protection in the event of any legal action taken against them. Joanne and Donal also wanted the security of knowing the business could carry on if anything were to happen to either one of them. They also learned that the change to a LTD company would result in a more favourable taxation system. In 2022, they expanded their product range to include a men's line of skincare after receiving a loan from the bank.

The company's products are sold using their own website, and at the Duty Free in Dublin airport. Sales are high among transatlantic passengers and the couple are considering expanding to the US, Australia and the Middle East. They are aware of the increased costs of expansion. However, they should benefit from reducing their cost per unit. They need to find trustworthy distributors or agents to ensure payment and need to consider the constant currency fluctuations. The couple will also have to contend with increased taxation by selling in markets outside the EU. They are aware that cultural differences may impact the marketing of their products.

- (A) (i) Describe **one** internal and **one** external source of new product ideas used by Joanne and Donal.
- (ii) Outline the challenges faced by Joanne and Donal as a new business start-up. (30)
- (B) Evaluate the implications for Better Skincare of changing its ownership structure from a partnership to a private limited company. (30)
- (C) Discuss the challenges for Better Skincare LTD of exporting outside the EU. (20)

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.

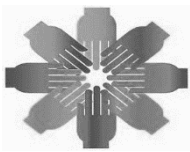
All questions carry 60 marks.

Part 1 People in Business / Business Environment

Question 1

People in Business

Read the information supplied and answer the questions which follow.



Relationships between Stakeholders

There are a variety of stakeholders involved in business. Relationships between these stakeholders are constantly changing. At times they can be co-operative and at other times they can be competitive.

- (A) Describe **one** example of a co-operative relationship and **one** example of a competitive relationship between **each** of the following stakeholders:
- Investor and Entrepreneur
 - Employer and Employee
- (20)
- (B) Illustrate, using examples, the legal duties of service providers as set out in the Sale of Goods and Supply of Services Act 1980. (15)

Woman unfairly dismissed receives €6,900 compensation

Adapted from rte.ie

- (C) (i) Under the terms of the Unfair Dismissals Act 1977-2021, explain **three** grounds for dismissal that are deemed to be **unfair**.
- (ii) Outline the procedures for dismissing an employee under the Unfair Dismissals Act 1977-2021. (25)

Question 2

Domestic Environment

Read the information supplied and answer the questions which follow.

Inflation estimated to have hit 9.5% in October according to the Central Statistics Office.

Adapted from rte.ie

(A) Discuss the impact of high inflation rates on the following:

Consumers

Businesses

Government

(20)



At our core, we are committed to the highest standards of ethical behaviour.

Adapted from kerry.com

(B) (i) Define the term **business ethics**.


(ii) Outline the methods a business could use to improve its business ethics. **(20)**

(C) (i) Explain the term **secondary sector**.

(ii) Outline the current trends facing businesses in the secondary sector in Ireland. **(20)**

Question 3**International Environment**

Read the information supplied and answer the questions which follow.

	<p>European Union (EU) leaders have formally granted Ukraine and Moldova candidate status to become a member of the bloc.</p>
	<p>Adapted from rte.ie</p>

- (A) Outline the opportunities **and** challenges for Irish businesses arising from an enlarged European Union. (20)
- (B) Explain the following **international trade** terms.
- (i) Trading Bloc
 - (ii) Subsidy
 - (iii) Balance of Payments
 - (iv) Open Economy (20)
- (C) (i) Illustrate, using an example the term **Global Business**.
- (ii) Describe how developments in technology have facilitated the growth of globalisation. (20)

Read the information supplied and answer the questions which follow.



Manchester United terminates contract with Cristiano Ronaldo with immediate effect.

Adapted from rte.ie

- (A) Illustrate, using examples the methods of terminating a legal contract. (20)

The logo for FORSA, consisting of the word 'FORSA' in a bold, white, sans-serif font inside a dark grey rectangular box.

The executive of the Fórsa trade union recommends that its members back new public sector pay deal.

Adapted from The Irish Times

- (B) (i) Discuss **one** benefit for **employers** of trade union membership in the workplace.
(ii) Outline the reasons, other than pay, for an industrial relations dispute. (25)
- (C) Describe the role of the Workplace Relations Commission in dealing with industrial relations disputes. (15)

Part 2 Enterprise

Question 5

Enterprise/Managing

Read the information supplied and answer the questions which follow.



Tayto was established by Joe Murphy in 1954. The company believes that cross-functional teamwork is essential to its success. Management at Tayto value a supportive environment where open communication help people to grow and learn.

Adapted from taytosnacks.ie

- (A) Contrast the role of an Entrepreneur with that of a Manager under **three** of the following headings:
- Risk
 - Reward
 - Innovation
 - Responsibility
- (15)
- (B) Evaluate the benefits **and** challenges for a business of operating a matrix organisational structure when developing its products. (25)
- (C) Outline the implications for a business of a manager adopting McGregor's Theory X approach to managing. (20)

Read the information supplied and answer the questions which follow.

Improving Employee Performance During Remote Work

A study shows that 83% of employees prefer working remotely in some capacity. Managers who are supervising their teams remotely are trying to find ways to manage workforce performance.

Adapted from forbes.com

- (A) Apart from remote work, discuss the impact of new technology on employees. (15)
- (B) (i) Explain what is meant by **Performance Appraisal**.
(ii) Analyse how Performance Appraisal can contribute to the successful running of a business. (20)
- (C) Below is a copy of the **cashflow forecast** for TouchData LTD for the first quarter of 2023.

	January €	February €	March €	Total €
Total Receipts	90,500	126,000	80,500	297,000
Total Payments	78,000	120,000	115,000	313,000
Net Cash	12,500	6,000	B	(16,000)
Opening Cash	5,500	A	24,000	C
Closing Cash	18,000	24,000	(10,500)	(10,500)

- (i) Explain the reasons why TouchData LTD would prepare a cashflow forecast.
- (ii) Calculate the figures represented by the letters **A**, **B** and **C** on the cashflow forecast.
(Show your answers in your answer book.)
- (iii) Explain how TouchData LTD might deal with the financial situation in March. (25)

Read the information supplied and answer the questions which follow.

Irish Brands Forge Ahead In Checkout's Top 100 Brands



Coco-Cola named as Ireland's biggest selling brand for the 18th year in a row.
Irish brands featured in the top ten include Tayto, Avonmore, Brennans and Jacobs.

Adapted from Checkout.ie

- (A) Illustrate, using examples, the benefits of branding as a marketing tool for business. (20)
- (B) (i) Explain the pricing strategies a marketing manager may use when launching a new product.
- (ii) Draft and label the product life cycle diagram. (25)
- (C) Outline the factors Coca-Cola should consider before choosing an appropriate medium of advertising for their business. (15)

Question 8**Business in Action**

Read the information supplied and answer the questions which follow.

**Gym+Coffee to add four new outlets as expansion continues**

The Cork-based Gym+Coffee clothing retail business is enjoying significant growth in 2022 on the back of new store openings. The athleisure brand, which provides a range of activewear, currently operates 13 outlets and is aiming to open a further four in 2023.

Adapted from irishe Examiner.ie

- (A) (i) Distinguish between **organic growth** and **inorganic growth** in a business.
- (ii) Discuss the reasons, other than increasing profit, for expansion of a business. (25)
- (B) Describe **the first four** stages involved in the development process of a new product. (20)
- (C) Contrast Debt Capital **and** Equity Capital as sources of finance for business expansion. (15)

There is no examination material on this page

Do not hand this up

Leaving Certificate – Higher Level

Business – Sections 2 and 3

3 hour exam