



Coimisiún na Scrúduithe Stáit
State Examinations Commission

Leaving Certificate Examination
Business – Higher Level
Sections 2 and 3

Thursday 15 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.

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

Write your answer in the Answerbook containing Section 1

Crowley Housebuilders Ltd



Helen Crowley founded Crowley Housebuilders Ltd in 2013. Helen raised the capital to start the business through investing her savings and secured a grant from her local enterprise office. The demand for new homes increased as the Irish economy recovered from a period of economic difficulty. Crowley Housebuilders Ltd developed a business plan that presented their strategy for growing operations both in Ireland and abroad. They successfully applied for support from Enterprise Ireland for their planned expansion. The company raised €3 million from issuing share capital. An additional investment of €2 million was secured in the form of a 10-year debenture. They took advantage of low interest rates and received approval for a 20-year long term loan to fund expansion into Europe and Asia.

The decision to enter new markets reduced their dependence on the Irish market. Crowley Housebuilders Ltd had to adapt to the varying legislation in other countries. Several projects were delayed due to miscommunications and language barriers. They struggled to compete with local firms in international markets. However, as management systems improved the company began to gain market share in several countries. The company then successfully tendered for Irish government contracts and similar contracts in Europe. The world economy experienced strong economic growth. As a result, profits rose rapidly. The business was benefiting from economies of scale and their cash reserves were healthy.

Recently, across the world, interest rates have begun to increase. Supply chain issues have caused delays, and inflation has led to a massive increase in price of raw materials. Energy prices are far higher than budgeted for and fluctuations in exchange rates are also adding to the uncertainty. Economic growth has begun to slow down which is worrying. Helen has noticed profits are falling and is nervous for the future economic landscape. She is considering consolidation which could lead to job losses.

- (A) Explain the different sources of long-term finance used by Crowley Housebuilders Ltd. (20)
- (B) Describe the benefits **and** challenges of entering international markets for Crowley Housebuilders Ltd. (30)
- (C) Discuss the impact of economic variables on a business. Refer to the text in your answer. (30)

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**

(A) Describe **one** example of a co-operative relationship and **one** example of a competitive relationship that could arise between the following stakeholders:

(i) Employer and employee

(ii) Investor and the manager of a business. (20)

The Consumer Rights Directive and EU regulations enhanced consumer rights in Ireland.
EU regulations now clarify *'Your right to cancel'*. Adapted from commission.europa.eu

(B) **(i)** Outline **three** provisions of the Sale of Goods and Supply of Services Act 1980 regarding a consumer's statutory rights.

(ii) Explain the 'right to cancel' (cooling off period) for consumers in Ireland. (20)

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

Consideration Legality of Form Intention to Contract (20)

Read the information supplied and answer the questions which follow.

The state completes sell down of Bank of Ireland stake.

Adapted from rte.ie

- (A) (i) Distinguish between nationalisation **and** privatisation. Provide examples to support your answer.
- (ii) Describe **one** benefit and **one** challenge of privatisation for the government. (20)
- (B) Outline why a business, over time, might change their ownership structure. Provide examples to support your answer. (20)

During the pandemic, people have become more sensitive to the environmental impact of their shopping. Companies have responded to the rise of the eco-friendly consumer.

Adapted from strategy+business

- (C) Discuss the characteristics of an environmentally responsible business. (20)

Read the information supplied and answer the questions which follow.



- (A) Outline the importance of European Union (EU) membership for Ireland. (20)
- (B) Evaluate the role of special interest groups in the European Union (EU).
Use an example to support your answer. (15)
- (C) Discuss the positive **and** negative impacts of multinational companies (MNC's) in Ireland.
Use examples to support your answer. (25)

Read the information supplied and answer the questions which follow.

The Taoiseach says 6.5% public sector pay offer is fair.

Adapted from rte.ie

- (A) (i) Explain the term collective bargaining.
- (ii) Outline **three** provisions of the Industrial Relations Act 1990. (20)
- (B) Under the terms of the Unfair Dismissals Act 1997 to 2021, explain the grounds for dismissal that are deemed to be **fair**. (20)

The logo for the Workplace Relations Commission (WRC) features the letters 'WRC' in a large, bold, sans-serif font. The 'W' is dark grey, while the 'R' and 'C' are black.

An Coimisiún um Chaidreamh san Áit Oibre
WORKPLACE RELATIONS COMMISSION

- (C) Discuss the services provided by the Workplace Relations Commission. (20)

Part 2 Enterprise

Question 5

Enterprise/Managing

Jim Gavin, Director of People and Operations in the Irish Aviation Authority, is a speaker on leadership and motivation. He references motivational theorists such as Douglas McGregor and Abraham Maslow.



- (A) Outline, giving an example, how a business manager could use each level of Maslow's Hierarchy of Needs to motivate their staff. (25)
- (B) Explain **three** implications for a manager of adopting a Theory Y approach to management. (15)
- (C) (i) Distinguish between enterprise and management.
(ii) Discuss **two** benefits of planning as a management activity. (20)

Due to major increases in utility bills, business owners may cancel insurance premiums or under insure their risks.

- (A) (i) Explain **one** implication of underinsurance.
(ii) Discuss **two** types of business insurance that you recommend a hotel business should have. (15)

New employees will seek flexible working conditions
if pay demands are not met.

Adapted from Irish Examiner

- (B) (i) Explain the term flexible working conditions.
(ii) Outline the different types of financial **and** non-financial rewards that businesses use to attract employees. (20)

In 2022 recruitment companies noticed that Human Resource forecasts were adapted as the economy struggled with a cost of living crisis.

- (C) Explain the following terms in the context of human resource management.
● Job Description and Person Specification.
● Internal and External Recruitment.
● Interview and Selection. (25)

Question 7

Managing / Business in Action

Centre Parcs

Centre Parcs Longford features 400 acres of beautiful forest, swimming pool, a range of restaurants, activities and accommodation types.



(A) Outline the internal **and** external sources of new product/service ideas for businesses such as Centre Parcs. (20)

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

Tommy is a manager at Centre Parcs Ireland and earns a gross annual salary of €85,000. His employer provides him with a company car worth €25,000. This is treated as income for tax purposes and is taxed accordingly.

Tommy's tax information is shown below.

PAYE		
20% on the first €40,000	40% on the balance of his gross income	
TAX CREDITS		
Single Person Tax Credit €1,700	PAYE Tax Credit €1,700	Dependent Relative Tax Credit €245
USC		
0.5% up to €12,012	2% on the next €9,281	4.5% on the balance
PRSI		
Tommy pays employee PRSI at 4% of his gross income		

Calculate each of the following:

- | | |
|--|--|
| (i) The PAYE which Tommy has to pay | (iii) The total amount of PRSI |
| (ii) The total amount of USC | (iv) Tommy's annual take-home pay |
- (20)

(C) **(i)** Explain the term employee empowerment.

(ii) Describe the benefits of employee empowerment for a business. (20)

EPIK Media

EPIK Media produce, shoot and package behind the scenes content for movies, tv series and events. The business has worked on movies such as 'Jurassic Park Dominion' and 'The Banshees of Inisherin'.



- (A) (i) Illustrate your understanding of the term niche market.
 (ii) Outline **two** implications for a business of operating in a niche market. (15)

NETFLIX on sky

Netflix and Sky, the two entertainment giants will continue their successful subscription package.

- (B) (i) Contrast a strategic alliance **and** a merger as methods of business expansion.
 (ii) Evaluate **one** benefit and **one** challenge for a business of forming a strategic alliance. (20)
- (C) MJ Sports produce products aimed at Hurling and Camogie players. MJ Sports have provided the following information for their new product line:

Forecast Output (Sales)	8,000 units
Selling Price per unit	€20
Fixed Costs	€40,000
Variable Costs per unit	€10

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)

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Do not hand this up

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