2020.M57

2020L033A1EL

Coimisiún na Scrúduithe Stáit
State Examinations Commission

Leaving Certificate Examination 2020

Business

Section 1 and Answerbook

Higher Level

3 hours

400 marks

Examination Number

Day and Month of Birth

For example, 3rd February is entered as 0302

Centre Stamp

Instructions

Write your Examination Number and your Day and Month 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**

Two questions from **Part 2**

and **One** other question from either **Part 1** or **Part 2**.

All questions in this section 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 these terms.)

Column 1: Terms	Column 2: Explanations
1 Premium Pricing	**A** Below cost selling to encourage consumers to visit the retailer.
2 Penetration Pricing	**B** Charging different prices to different segments of the market for the same product or service.
3 Loss Leader	**C** In order to recover development costs a business charges a high price when a product is launched.
4 Price Skimming	**D** Pricing products based on a consumer's budget.
5 Price Discrimination	**E** High prices are charged to consumers to create an impression of exclusivity/superior quality.
	F A business charges a lower price than its competitors to gain a greater share of the market quickly.

Match the two lists by placing the letter of the correct explanation under the relevant number below.

1	2	3	4	5

2. In the context of business, what do the following letters stand for?

Write each answer in the space provided.

CEO	
CRO	
LEO	
IDA	
CCPC	

3. Eight of the top ten aviation leasing companies in the world are based in Ireland. The aviation industry is part of the tertiary sector.



(a) Explain the term **tertiary sector**.

(b) Outline **two** trends in the tertiary sector in Ireland.

(i)
(ii)

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

(i) The profit from the sale of an asset is subject to
capital acquisitions tax / capital gains tax.

(ii) The Universal Social Charge (USC) is an example of a **progressive / regressive** tax.

(iii) Tax credits **increase / reduce** the amount of PAYE paid by an employee.

(iv) Value Added Tax (VAT) is an example of **a direct tax / an indirect tax**.

(v) A holiday voucher worth €3,000 given as a benefit-in-kind **is / is not** treated as taxable income.

5. The General Data Protection Regulation (GDPR) came into effect across the EU on 25 May 2018.



(i) In relation to EU legislation, explain the term **Regulation**.

(ii) Identify **one** other method of implementing EU legislation.

(iii) Name the **EU institution** responsible for proposing EU legislation.

6. **(i)** Explain the term **indigenous firm.**

(ii) Outline **one** challenge facing indigenous firms.

7. Write **True** or **False** after **each** of the following statements.

	Statement	True or False
1.	Electronic Data Interchange (EDI) involves a business exchanging its customer's data with other businesses.	
2.	Just in Time (JIT) Production allows manufacturing businesses to reduce costs by keeping stock of raw materials to a minimum.	
3.	Lead Time is the amount of time it takes a supplier to fulfil an order.	
4.	Economies of scale increase costs when a business buys large quantities of raw materials in bulk at a discount.	
5.	Optimum stock level is the ideal amount of stock a business should have at any given time.	

8. Distinguish between **fair dismissal** and **constructive dismissal**.

9. **(i)** Study the table below and fill in **an appropriate stage** of the **Product Life Cycle** for **each** product.

Apple iPod Touch Release date Sept 2007	New Apple Watch series 5 Release date Sept 2019	Apple iPhone 7 Release date Sept 2016
		
Stage in Product Life Cycle: _____	**Stage in Product Life Cycle:** _____	**Stage in Product Life Cycle:** _____

(ii) Outline **two** methods a business could use to extend a product's life cycle.

1.
2.

10. Henry Winters insured his home for €200,000 with Allianz.
The market value of the house is €250,000.
A chimney fire caused €36,000 worth of damage.

(i) Calculate the amount of compensation Henry will receive from Allianz.
Show your workings.

Workings:	**Compensation:** € _____

(ii) Explain why Henry receives this amount of compensation.

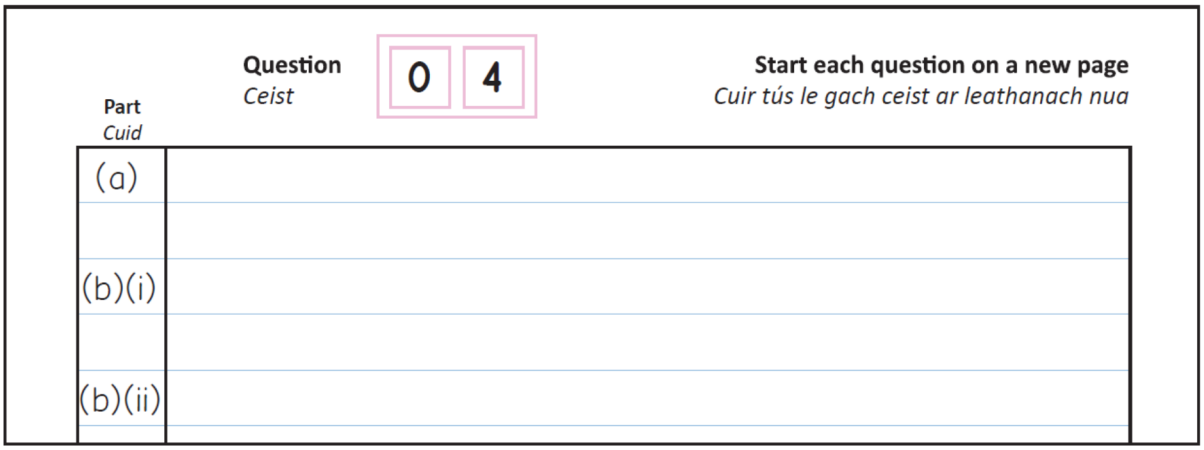
Answerbook for Sections 2 and 3

Instructions

Questions for **Sections 2** and **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 at the back of 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