Coimisiún na Scrúduithe Stáit
State Examinations Commission

Leaving Certificate 2026

Marking Scheme

Business

Higher 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.

Marking Scheme and Support Notes for use with the Marking Scheme.

In considering the marking scheme and the support notes the following points should be noted:

- The support notes presented are neither exclusive nor complete.
- They are **not** model answers but rather a sample of possible responses.
- The support notes in many cases may contain key phrases which must appear in the candidate's answer in order to merit the assigned marks.
- **Further relevant points of information presented by candidates are marked and rewarded on their merits.**
- The detail required in any answer is determined by the context and the manner in which the question is asked and by the number of marks assigned to the answer in the examination paper. Requirements may therefore vary from year to year.
- Words, expressions or phrases must be correctly used in context and not contradicted, and where there is evidence of incorrect use or contradictions the marks may not be awarded.

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

Annotation	Use
$\checkmark_n$	Correct element (n marks)
0	No marks awarded. Answer incorrect or insufficient.
	Page seen by examiner / Information not valid.
OF	Candidate's own figure earns marks.
[	Surplus answer or part of answer. Marks awarded elsewhere.
L1	1 Marks awarded for linking to text.
L2	2 Marks awarded for linking to text.
L3	3 Marks awarded for linking to text.
L4	4 Marks awarded for linking to text.
L5	5 Marks awarded for linking to text.
EVAL	Evaluation

LEAVING CERTIFICATE BUSINESS HIGHER LEVEL 2026

MARKING SCHEME

SECTION 1
(80 Marks)
This is a compulsory section.
Answer 8 questions. Each question carries 10 marks.

Question	Scheme	Marks
1.	5m (3+2) + 5m (3+2)	10
2.	3+2+2+2+1	10
3.	5m (3+2) + 5m (3+2)	10
4.	(i) 5m (3+2) (ii) 5m (3+2)	10
5.	3+2+2+2+1	10
6.	(i) 6m (3+3) (ii) 4m (2+2)	10
7.	3+2+2+2+1	10
8.	5m (3+2) + 5m (3+2)	10
9.	3+2+2+2+1	10
10.	(i) 4m (1+1+1+1) (ii) 3m (1+1+1) (iii) 3m (1+1+1)	10
11.	5m (3+2) + 5m (3+2)	10
12.	5m (3+2) + 5m (3+2)	10
Section 1	**Available Marks**	**80**

SECTION 2
(80 Marks)
Coffee and Chill Ltd

Applied Business Question (Units 3, 4 & 5) **This is a compulsory question.**			**Max Mark**
(A)	Explain how Martina rewards her employees. Refer to the text in your answer.	1@15(8+2+5) 1@5(2+1+2) Reward, Explain, Link	20 marks
(B)	**(i)** Explain price discrimination. Refer to the text in your answer. **(ii)** Describe the other pricing strategies used by Martina. Refer to the text in your answer.	6marks (5+1) Explain, Explain, link 2@12 (6+2+4) Strategy, Explain, Link	30 marks
(C)	**(i)** Evaluate the management control techniques used by Martina in Coffee & Chill Ltd. Refer to the text in your answer. **(ii)** Recommend and explain an alternative sales promotion technique Martina can use instead of giving away free t-shirts.	3@8(2+2+2+2) Control, Explain, Link, Evaluation 6marks (3+3) Recommendation and Explanation.	30 marks
Section 2	**Available Marks**		**80 marks**

In answering the questions on the ABQ, candidates must make use of relevant knowledge and understanding gained in the subject while studying the course in addition to the relevant links from the ABQ.

In relation to the links given, they **must** be a direct relevant quote/phrase/statement from the ABQ indicating that candidates clearly understand the point(s) of theory presented. Separate links are required in each section. No link awarded without relevant theory.

SECTION 3
(240 marks)

Answer **Four** questions from **Section 3** as follows:
One question from **Part 1**, **one** question from **Part 2** and **two** other questions from either **Part 1** or **Part 2**. All questions carry equal marks.

Part 1

People in Business / Business Environment

	Question 1 **People in Business**		**Max Mark**
(A)	**(i)** Explain **three** elements of a legally binding contract, apart from ‘offer and acceptance’. Use an example in each case. **(ii)** Illustrate the difference between **condition** and **warranty** in relation to a contract.	3@5m (2+2+1) 5marks (2+3) Difference and Example	20
(B)	Describe one example of a co-operative relationship and one example of a competitive relationship that could arise between the following stakeholders: • Business and a competitor • Government and a business.	10 marks 2@ 5m (4+1) 10 marks 2@ 5m (4+1)	20
(C)	Evaluate the powers of the **Competition and Consumer Protection Commission** in relation to breaches of Consumer Law.	3@6m (3+3) Evaluation 2m	20
Q1	**Available Marks**		**60**

Question 2 Domestic Environment			Max Mark
(A)	Describe the characteristics of an environmentally responsible business.	3@7,7,6 (4+3), (3+3)	20
(B)	Analyse how the economic variables (factors) in the Irish economy have an impact on business.	3@7,7,6 7m(3+1+3) 6m(3+1+2) Variable, Development Impact	20
(C)	**(i)** Explain using an example other than the Paddy Box, the term **Indigenous firm**. **(ii)** Outline the challenges facing Indigenous firms.	(i) 6m (3+3) (ii) 14m 2@7(4+3)	20
Q2	**Available Marks**		**60**

Question 3 International Environment			Max Mark
(A)	**(i)** Explain the term **free trade**. **(ii)** Outline the benefits of international trade for the Irish economy.	5marks (2+3) 3@5m(2+3)	20
(B)	**(i)** Illustrate what is meant by the term **'invisible export'**, with reference to the Irish economy. **(ii)** Explain the impact ICT has had on Irish businesses engaged in international trade.	6m (3+3) Example required. 2@7(4+3)	20
(C)	"Ireland should remain in the EU" Do you agree with this statement? Justify reasons for your answer, from the point of view of business owners.	2marks 3@6m(3+3)	20
Q3	**Available Marks**		**60**

Question 4 People in Business			Max Mark
(A)	**(i)** Define discrimination as set out in the Employment Equality Act 1998/2015. **(ii)** Distinguish between **constructive dismissal** and **unfair dismissal.**	12m (8+4) 8marks 2@4(2+2)	20
(B)	**(i)** Discuss the ways a business can promote and maintain good industrial relations. **(ii)** Outline the possible impact of strike action on each of the following: • Customers • Investors	2@5m (4+1) 2@5m (4+1)	20
(C)	Evaluate the role of the Workplace Relations Commission in dealing with industrial disputes.	3@6m(3+3) Evaluation 2marks	20
Q4	**Available Marks**		**60**

Question 5 Enterprise / Managing			Max Mark
(A)	**(i)** Illustrate your understanding of the term **Enterprise**. **(ii)** Explain the benefits of enterprise to your local economy.	6m (3+3) 2@7(4+3)	20
(B)	Discuss the barriers to effective communication faced by a business.	4@5m(2+3)	20
(C)	Evaluate the factors that influence the leadership style adopted by business managers. Provide examples to support your answer.	3@6(2+2+2) Factor, Explain, Example, Evaluation 2 marks	20
Q5	**Available Marks**		**60**

Question 6 Managing			Max Mark
(A)	Discuss the importance of **three** Human Resource Management functions for a business such as Ballyfin Demesne Hotel Ltd, apart from pay and rewards.	3@(7+7+6) 7m (2+3+2) 6m (2+2+2)	20
(B)	Illustrate the **types of taxation** that Ballyfin Demesne Ltd should be aware of.	4@5m (2+2+1)	20
(C)	Discuss the strategies used to manage change in a business.	4@5m(2+3)	20
Q6	**Available Marks**		**60**

Question 7 Managing / Business in Action			Max Mark
(A)	Draw the Product Life Cycle diagram for a product of your choice **and** describe the action that a business may take at each stage.	Diagram 10m: 5 stages @1m Title 1m Axis label 1m Axis label 1m Curve 2m Actions 10m: 5@2marks	20
(B)	**(i)** Net Profit Margin **(ii)** Current Ratio **(iii)** Acid Test Ration **(iv)** Return on Investment	4 marks 4 marks 5 marks 7 marks	20
(C)	Analyse the profitability **and** liquidity of Swift Ltd for 2025, with reference to the industry average results shown. Make recommendations for Swift Ltd.	Profitability 2@5m(3+2) Compare, recommendation Liquidity 2@5m(3+2) Compare, recommendation	20
Q7	**Available Marks**		**60**

Question 8 Business in Action			Max Mark
(A)	Illustrate, with reference to Adidas, the benefits of branding for the consumer.	3@7,7,6 (4+2+1) (3+2+1)	20
(B)	**(i)** Explain the term **Channel of Distribution**. **(ii)** Evaluate the benefits **and** challenges for Adidas of choosing a direct channel of distribution rather than selling through wholesalers and retailers.	6marks (3+3) 3@4m(2+2) Name, Explain, Evaluation 2marks	20
(C)	Discuss the short-term and long-term implications of expansion for a business.	4@5m(2+3)	20
Q8	**Available Marks**		**60**

SECTION 1
(80 Marks)

Support Notes

Question			Possible Responses	Marks
1			Describe **two** features of mass production. • Identical products made continuously • Goods are produced for stock in very large quantities • Unskilled workers/low pay • Repetitive work, which may lead to low morale • Large capital investment required/high cost • Specialised automated machinery, can only do one job at a time • Benefits from economies of scale, reduced production costs Examples: toilet roll, pens, tinned fruit, toothpaste	2@5m(3+2)

Question			Possible Responses	Marks
2			In the context of business, what do the following letters stand for? **(i)** Chief Executive Officer **(ii)** Electronic Data Interchange **(iii)** Total Quality Management **(iv)** Foreign Direct Investment **(v)** Single European Market	3+2+2+2+1

Question			Possible Responses	Marks
3			Explain **two** differences between ad hoc meetings and Annual General Meetings. **Purpose** • ***Ad-hoc Meeting:*** Held to address a specific issue or urgent matter. • ***AGM:*** Held to review the company's overall performance and handle statutory business. **Frequency** • ***Ad-hoc Meeting:*** Called as and when needed; no fixed schedule. • ***AGM:*** Held once every year. **Legal Requirement** • ***Ad-hoc Meeting:*** Not mandatory; depends on circumstances. • ***AGM:*** Legally required for companies and many organisations. **Agenda** • ***Ad-hoc Meeting:*** Focused on one or a few specific topics (e.g., approving an emergency budget). • ***AGM:*** Covers routine and broad matters (e.g., financial statements, director elections). **Participants** • ***Ad-hoc Meeting:*** Only relevant members or stakeholders may be invited. • ***AGM:*** All shareholders or members are usually invited. **Notice Period** • ***Ad-hoc Meeting:*** Often shorter, especially in urgent situations. • ***AGM:*** Requires a fixed minimum notice period as per law or constitution. **Examples** • ***Ad-hoc Meeting:*** A board meeting called to decide on a sudden acquisition. • ***AGM:*** A yearly meeting where shareholders approve accounts and dividends.	2@5m(3+2)

Question			Possible Responses	Marks
4	**(i)**		Explain the term privatisation. Privatisation refers to the sale of a **state owned company** to **private investors. E.g.** The government selling their ownership of **Aer Lingus** to private investors	5marks(3+2)
	(ii)		Outline **one** benefit of privatisation to the Irish economy. **Government revenue:** Selling of a state enterprise provides the government with a large sum of money. The revenue can be used to build infrastructure/repay the national debt. **Access to finance:** Privatised companies are able to take out loans and shares and generally have greater access to sources of finance than state companies. This makes it easier to fund expansion, creating wealth and employment in the economy. **Competition:** The elimination of a state monopoly can lead to open market competition and can lead to greater choice and lower prices for consumers. **Efficiency:** Private companies are driven by a profit motive and therefore are run more efficiently than state owned companies. Efficiently run businesses: • Produce more goods and services boosting overall economic output, • Operate with less waste and operating costs leading to lower prices for the consumer • Are more likely to expand and create employment • Attract investors, encouraging capital formation and economic growth • Promote research and innovation helping the economy stay competitive globally Pay more taxes which governments can use to fund public services and infrastructure	5marks(3+2)

Question			Possible Responses	Marks
5			Indicate **TRUE** or **FALSE** after each of the following statements. **1.** True **2.** False **3.** True **4.** True **5.** False	3+2+2+2+1

Question			Possible Responses	Marks
6	**(i)**		Describe the role of interest groups in business. An **Interest Group** (pressure group) is a group of people who meet and campaign for a **common goal/objective**. Interest Groups represent the views of their members by influencing decision makers such as the government, society and the European Union on issues that affect its members such as an increase in the minimum wage, taxation, working conditions. They can use a variety of techniques such as, **lobbying, boycotting and negative publicity** campaigns to **influence** policy makers. Interest Groups have more power, resources and skills when they work together and therefore are more likely to be listened to by decision makers. They will also offer advice and support to members.	6marks (3+3)
	(ii)		Explain using an example, an action an interest group of your choice has used. Interest group named and their specific activities explained.	4marks(2+2)

Question			Possible Responses	Marks
7			Circle the **correct option** in the case of **each** of the following statements. **(i)** Members **(ii)** Ceases **(iii)** Limited Liability **(iv)** Statutory **(v)** Temporary	3+2+2+2+1

Question			Possible Responses	Marks
8			Outline **two** factors a business should consider before choosing to set up in a local community. **Proximity to customers / transport** • Distance to main customers and target markets • Access to transport links (roads, rail, ports, airports) • Delivery times and distribution costs • Availability of suppliers nearby **Operational / production considerations** • Availability of raw materials and utilities (water, electricity, internet) • Suitability of the site for production or operations • Suitable local climate • Room for expansion and future growth • Reliability of infrastructure and services **Access to employees** • Availability of skilled and unskilled labour in the area • Local population size and education levels • Proximity to public transport for workers • Local wage rates and employment laws **Financial considerations** • Cost of land, rent, or property • Local taxes, grants, or government incentives • Operating costs such as wages, utilities, and insurance • Cost of transporting goods and materials **Environmental / social considerations** • Environmental regulations and planning restrictions • Impact on the local community/supportive local community • Crime/vandalism reputation in area • Availability of waste disposal and recycling facilities • Quality of life factors (safety, housing, amenities)	2@5m(3+2)

Question			Possible Responses	Marks
9			Match the two lists by placing the letter of the correct explanation under the relevant number below. **1.** C · **2.** D · **3.** E · **4.** A · **5.** F	3+2+2+2+1

1.	**2.**	**3.**	**4.**	**5.**
C	**D**	**E**	**A**	**F**

Question			Possible Responses	Marks
10	(i)		Calculate the Break-Even Point in units. $$\frac{Fixed\ Costs}{Selling\ Price - Variable\ cost\ per\ unit}$$ ❶ $$\frac{300{,}000}{20 - 10}$$ ❶ ❶ = **30,000 units** ❶	4marks (1+1+1+1)
	(ii)		Calculate the Profit at Forecast Output $$(50{,}000 \times 20) - [300{,}000 + (50{,}000 \times 10)]$$ $1{,}000{,}000$ ❶ – $800{,}000$ ❶ = **€200,000** ❶	3 marks (1+1+1)
	(iii)		Calculate the Margin of Safety in units. $50{,}000 - 30{,}000 =$ **20,000 units** ❶ ❶ ❶	3 marks (1+1+1) **Own figures shaded**

Question			Possible Responses	Marks
11			Explain, using examples, the difference between **Organic** and **Inorganic Growth**. **Organic growth** happens when a business grows using its own **internal resources**, without joining with or buying other firms. **Example required** **Inorganic growth** occurs when a business expands by **using other businesses.** **Example required**	2@5m(3+2)

Question			Possible Responses	Marks
12			Explain **two** implications for a business of a manager adopting a McGregor Theory X approach to management. • **Autocratic management style:** Manager is likely to closely supervise employees, make decisions alone, and give strict instructions. Employee input is usually limited. Demotivates staff. Manager has less time for other things. • **Low employee morale:** Because Theory X assumes workers dislike work and must be controlled, employees feel distrusted and undervalued, leading to reduced motivation and job satisfaction. Customer service might suffer and lack of interest in doing the job. Sales and profits may decrease. • **Increased supervision and control:** There may be tight rules, strict deadlines, and close monitoring. This can increase administrative costs and create a tense working environment. • **Reduced creativity and initiative:** Employees may avoid taking initiative or suggesting new ideas, as the environment discourages independent thinking. The business could lose out on innovative ideas and be unable to keep up with competitors. • **Higher staff turnover and absenteeism:** Over time, the lack of trust and empowerment may result in higher employee turnover and absenteeism. This will cost the business as new/replacement staff will have to be hired and trained. • **Short-term productivity gains:** In some situations (e.g. routine or crisis environments), productivity may improve in the short term due to strict control and clear direction. This may lead to more sales and profits.	2@5m(3+2)

SECTION 2
(80 Marks)

COFFEE & CHILL Ltd.

Support Notes

(A) Explain how Martina rewards her employees. Refer to the text in your answer. (20)

Question			Possible Responses	Marks
(A)			**Wage/Time Rate/Hourly Rate** • Employees are paid per **unit time**. • Gross /Net Pay • PAYE • Paid weekly or bi weekly. • Basic income/physiological need ***"Martina pays above minimum wage, to her staff"*** **Overtime** • Overtime is a payment to employees for any additional hours worked over and above their basic week. • It encourages employees to work later • For some jobs overtime is a big part of the attraction for employees ***"time and a half on each extra hour worked per week."*** **Bonus** • A sum of money raised for reaching a certain **target / goal** e.g. making sales above an agreed limit. • Encourages employees to reach their targets. ***"She gives all staff an additional payment at the end of the year, which is appreciated."*** **Commission/Performance related pay** • The employees are paid a **percentage of the total sales** they have achieved. This is normally paid in addition to a flat payment. It has the advantage of directly encouraging sales. ***"The college student working in the coffee van receives a daily fee plus extra if revenue is particularly high"***	1@15(8+2+5) 1@5(2+1+2) Reward Explain Link

Question			Possible Responses	Marks
(A)			**Non-Financial/Perks/Benefits/Benefit in Kind** A perk takes the form of goods or a service given to employees rather than money (non-monetary). They are used to raise the status of a position and to boost morale. This improves employees wellbeing. ***"Staff can eat for free and Martina gives all staff any food near expiration date to take home."***	

(B) (i) Explain price discrimination. Refer to the text in your answer.

(ii) Describe the other pricing strategies used by Martina. Refer to the text in your answer. (30)

Question			Possible Responses	Marks
(B)	**(i)**		Price discrimination refers to charging **different prices** to **different customers** for the **same product/service** based on their willingness or ability to pay. ***"Offers pensioners reduced rates"***	6 marks (5+1) Explain, Link

Question			Possible Responses	Marks
(B)	**(ii)**		Describe the other pricing strategies used by Martina. Refer to the text in your answer. **Cost-plus pricing** A business sets selling price by adding a fixed percentage mark-up to the total unit cost. ***"arranged to calculate cost of production on each product before deciding a price."*** **Penetration pricing** This is a pricing strategy where businesses set a low **initial** price for products/services to encourage customers to get used to buying the product. This creates customer loyalty. ***"Martina charged low prices for all products and then increased her prices as time went by."*** **Premium pricing** This is a pricing strategy where businesses intentionally set prices for their products/services that are higher than competitors to signal higher quality, luxury or exclusivity. ***"homemade branded products of jams, granola and honey were always expensive to purchase"*** ***"Martina's products are expensive"*** **Bundle pricing** This is a sales strategy where multiple products/services are packaged together and sold at a lower combined price than if sold individually. ***"customers buy a wide variety of multiple products she should charge discounted prices."***	2@12 (6+2+4) Strategy Explain Link

(C) **(i)** Evaluate the management control techniques used by Martina in Coffee & Chill Ltd. Refer to the text in your answer.

(ii) Recommend and explain an alternative sales promotion technique Martina can use instead of giving away free t-shirts.

(30)

Question			Possible Responses	Marks
(C)	**(i)**		**Financial Control** Financial control uses **cash flow forecasts** and **budgeting** to ensure that short term debts can be paid on time. This ensures the **liquidity** of the business. ***"paying large amounts of interest on the credit"*** ***"Martina's accountant has contacted her to say they need a meeting to discuss the budget"*** **Evaluation Required** **Stock Control** A business needs to control its stock to ensure it has **optimum stock** levels to meet customer demand at all times. The business should avoid having **too much stock.** **Too little stock** can lead to lost sales, reduces customer loyalty and result in brand damage. ***"surplus batches of t-shirts with unpopular coffee puns".*** **Evaluation Required**	3@8(2+2+2+2) Control, Explain, Link, Evaluate

Question			Possible Responses	Marks
(C)	**(i)**		**Quality Control** Ensuring the product meets the required standards by use of **inspections, zero defect approach, quality circles, quality assurance,** or **quality marks**. *“**unable to give away some of the t-shirts due to poor finishing**.”* **Evaluation Required**	

Question			Possible Responses	Marks
(C)	**(ii)**		Recommend and explain an alternative sales promotion technique Martina can use instead of giving away free t-shirts. **Loyalty scheme –** • **Points-based system**: Customers earn points for every purchase they make (e.g., 1 point per coffee, 5 points per large product, etc.). After accumulating a certain number of points, they can redeem them for free or discounted items (e.g., a free coffee, a discounted product, or a special treat from the delicatessen). • **Tiered rewards**: For example, after 5 visits, customers get a 10% discount; after 10 visits, they receive a free item. This encourages customers to visit more often to unlock better rewards. • **Referral rewards**: Encourage existing customers to refer friends or family. If a referred customer makes a purchase, the referrer gets a discount or a free product.**Special offers –** Bundle goods/merchandising with premium products • **Free samples –** Give free samples at till area to allow customers to try the products before buying • **Vouchers/money off coupons –** To encourage new/existing customers to come into shop to buy products • **Competitions –** Run regular competitions for prizes that can be won when purchases are made • **Merchandising –** Sell branded merchandise to customers to promote the brand name (t-shirts, coffee mugs etc)	6 marks (3+3)

Question 1

(A) **(i)** Explain **three** elements of a legally binding contract, apart from 'offer and acceptance'. Use an example in each case.

(ii) Illustrate the difference between **condition** and **warranty** in relation to a contract.

(20)

Question			Possible Responses	Marks
1	**(A)**	**(i)**	Explain **three** elements of a legally binding contract apart from 'offer and acceptance'. Use an example in each case. **Consent to contract:** Both parties must enter the contract of their own free will. They must agree to the contract without undue influence. If there is no choice, there is no consent. Consent must be honest and voluntary. ***Example required for full marks.*** **Intention to contract:** Both parties to the contract must be aware that they are entering into a legally binding agreement that could see them in court if they fail to keep their side of the agreement. With domestic and social arrangements there is no intention to create a legally binding contract. ***Example required for full marks.*** **Legality of purpose:** The intention of the contract must be in full compliance with all laws. ***Example required for full marks.*** **Capacity to contract:** All natural persons (human beings) and legal/corporate persons, such as companies, have the legal right (able to/capable of) to enter freely into a contract. ***Example required for full marks.*** The following generally do not have the capacity to contract: • Infants (those under 18 years of age) except in certain cases e.g. necessities • Persons under the influence of drink or drugs • Insane persons • Bankrupt persons • Diplomats • Companies operating outside their powers/Ultra vires	3@5m (2+2+1) Element Explain Example

Question			Possible Responses	Marks
1	(A)	(i)	**Consideration:** This refers to the exchange of value in a contract. Each party in a contract must give something of value to the other party. So long as consideration exists, a court of law will not question its adequacy, provided it is of some value. Consideration is usually some monetary payment, but it could also be something valuable exchanged as part of the contract. ***Example required for full marks.*** **Legality of form:** Certain contracts, to be considered legal, must be drawn up in a particular manner. Some contracts must be in writing if they are to be legally valid. ***Example required for full marks.***	

Question			Possible Responses	Marks
1	(A)	(ii)	Illustrate the difference between **condition** and **warranty** in relation to a contract. A condition is a **major part/primary part/essential element** of a contract. If it is broken the contract is **terminated.** A warranty is a **minor part/secondary part/non-essential element** of a contract. If it is broken, the contract is **not terminated.** **Example Required.**	5 marks (2+3) Difference and Example

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

- Business and a competitor
- Government and a business

(20)

Question			Possible Responses	Marks
1	(B)		**Business and a competitor** **Co-operative: (Win/Win)** • Shared distribution or logistics • Industry standards and joint research • Joint purchasing agreements • Shared infrastructure • Training and apprenticeships • Event or location sharing **Competitive: (Win/Lose)** • Price competition • Product differentiation • Advertising and promotion • Location competition • Customer service competition • Innovation and technology	5marks (4+1) . 5marks (4+1)

Question			Possible Responses	Marks
1	**(B)**		**Government and business** **Co-operative: (Win/Win)** • Grants and subsidies • Public–private partnerships (PPPs) • Training and employment schemes • Infrastructure support • Research and development (R&D) • Regulatory cooperation **Competitive: (Lose/Win)** • Taxation • Environmental regulations • Governments enforce minimum wage, working hours, and health and safety laws, while some businesses push back to keep labour costs low. • Consumer protection • Governments demand accurate financial reporting and disclosure, while businesses may prefer less scrutiny. • Governments regulate products like alcohol, tobacco, or sugary foods for public welfare, while businesses may lobby against restrictions that limit sales.	 5marks (4+1) 5marks (4+1)

(C) Evaluate the powers of the **Competition and Consumer Protection Commission** in relation to breaches of Consumer Law.

(20)

Question			Possible Responses	Marks
1	**(C)**		**<u>Prohibition Order:</u>** An Order prohibiting a trader from committing or engaging in a prohibited act or practice. The Circuit Court or High Court can issue the order. **<u>Compliance Notice:</u>** A Compliance notice may be issued to a business owner (company/individual) who is deemed to have committed a 'prohibited practice'. A Compliance Notice is a written notice directing them to remedy the relevant contravention of consumer protection legislation. The trader has the right to appeal the notice to the District Court within 14 days. **<u>Fixed Payment Notice:</u>** Fixed payment Notices (on the spot fines) can be issued in respect of price display legislation. This sanction may be used as an alternative to prosecution. The penalty is €300 and must be paid within 28 days. Failure to pay will result in prosecution. **<u>Undertakings:</u>** If it is believed that the trader is involved in a prohibited practice a written undertaking may be sought that the trader will comply with the requirements of consumer legislation. **<u>Consumer Protection List:</u>** The CCPC has enforcement powers under consumer legislation. Enforcement actions taken by the CCPC are recorded on a list called the 'Consumer Protection List.' **<u>Investigation:</u>** The CCPC has statutory powers to investigate suspected breaches of consumer law, including powers to obtain information and documents, carry out inspections and searches through authorised officers. CCPC can search and seize records or materials, typically where legal thresholds and, in some cases, court warrants are met. Interview or question relevant persons.Investigate suspected unfair, misleading, aggressive, or otherwise unlawful commercial practices.	3@6m(3+3) Evaluation 2 marks

Question			Possible Responses	Marks
1	(C)		**<u>Product Safety</u>** CCPC can monitor and investigate if products are safe. They can stop unsafe products being placed on the Irish market. The CCPC also has a role in the recall system: when a producer discovers a serious safety issue, it must inform the Irish enforcement body, remove the product from sale, and recall it if necessary; the CCPC then records the recall and notifies the European Commission through the EU safety alert system. **<u>Prosecution:</u>** Prosecuting a trader who has broken the law is the ultimate sanction available to the CCPC. Fines and penalties for prosecutions under the various pieces of legislation that they have responsibility for can be significant and convicted persons can also be liable for the CCPC's costs in any action taken. **Evaluation Required.**	

Question 2

(A) Describe the characteristics of an environmentally responsible business. (20)

Question			Possible Responses	Marks
2	(A)		**Consultation** Consultation with all the interested parties when developing and implementing policies that affect the environment. Consultation also involves getting the most up- to- date information on environmental issues. **Honesty** The company tells the truth and is above board in all matters affecting the environment. Environmentally conscious businesses are not afraid to have their affairs examined, as they generally have nothing to hide. e.g. it does not hide industrial accidents. **Awareness of environmental issues/Training** Promotes environmental issues among its employees, customers and business community and spends money on the issues. Regular communication and engagement with staff in increasing awareness and promoting positive behaviours with regard to the environment **Openness to development of new product design/ clean manufacturing processes/ better product end-of life solutions/recycling** Designing products that are durable and capable of maximum possible lifespan /helping to reduce energy consumption/waste. Using parts that can be recycled/safely disposed/ avoiding environmentally sensitive materials/ pollution prevention. Continually reducing products impact on the environment through improved recycling and reuse programmes. **Sensitive to all environmental considerations in its policy making.** Conducts *environmental audits* (Environmental Impact Statements) to assess the impact of their business on the environment. Compliant with the law Conducts business with integrity and complies with the environmental laws and regulations. Seeks advice from EPA to ensure compliance. **Sustainable Development:** The business must consider future generations when using natural resources (non-renewables) e.g. wood. They should have a policy to plant more trees for each tree used. Local suppliers should be sourced where possible to reduce the carbon footprint. Training of employees to become more environmentally aware.	3@7,7,6 (4+3), (4+3), (3+3)

(B) Analyse how economic variables (factors) in the Irish economy have an impact on business. (20)

Question			Possible Responses	Marks
2	**(B)**		**<u>Inflation:</u>** Inflation is the sustained percentage increase in the price of goods and services in an economy from one period to the next, usually over one year. It is measured by the Consumer Price Index. **Impact** If inflation rises, **sales levels may decrease** as consumers will purchase less goods/services as higher prices are passed on from retailers. **<u>Interest Rates:</u>** Interest Rates are expressed as a percentage of the amount borrowed or saved. As Ireland is a member of the Eurozone, interest rates are set by the European Central Bank. **Impact:** Business **sales and profits may increase** as consumers will tend to borrow more to purchase goods/services when interest rates are low. When interest rates rise businesses will **delay expansion** plans as the cost of borrowing has increased. **<u>Exchange Rates:</u>** An Exchange Rate is the price of one currency expressed in terms of another. Exchange rates fluctuate daily. **Impact:** If there is **an increase** in the value of the Euro, the businesses products may be more expensive in markets abroad. This will lead to a decline in sales. If there is a **decrease** in the value of the Euro then there may be an increase in demand for Irish exports, this will lead to an increase in employment as businesses facilitate the increased demand. However, it will be more expensive to import goods from outside of the Eurozone.	3@7,7,6 7 (3+1+3) 6(3+1+2) Variable Development Impact

Question			Possible Responses	Marks
2	(B)		**<u>Unemployment:</u>** This is the percentage of people who are out of work but are actively seeking employment. Unemployment Rates are expressed as a percentage of the Labour Force. **Impact:** When unemployment **is increasing** businesses can find it easier to recruit suitable staff as there are more people out of work. This will also keep wage costs down as job security becomes more important than demands for wage increases. Sales/profits may decrease as consumers have less disposable income. When unemployment is **decreasing** people will have higher disposable income will increase demand, especially for non-essential goods/services. Labour shortages may occur resulting in rising wages as employers compete to recruit and retain skilled employees. **<u>Taxation:</u>** Tax is imposed by government on individuals and businesses. It is paid on income, property and on the purchase of goods/services. **Impact:** **Lower taxes** such as VAT lead to an increase in sales and profits. When consumers have more disposable income they will spend more, especially on luxury goods/services. Increased sales and profits will allow for further business expansion or to pay off existing debt. **Higher/Increasing** taxes will increase the cost of doing business in Ireland. This will make businesses less competitive. Consumers will have less disposable income which will result in reduced sales/profits for businesses. **Grants** A grant is a sum of money paid by a government agency to a business for specific purposes. Once used it does not have to be repaid back. **Impact:** An **increase** in the amount of grant finance will influence business behaviour such as investment, employment, productivity, and regional development. Grants from government, local authorities, and the European Union can reduce the cost of starting or expanding a business, encourage firms to invest in innovation and training, and support sectors such as agriculture, enterprise, housing, and renewable energy.	

Question			Possible Responses	Marks
2	**(B)**		**Subsidies** A subsidy is financial aid from government to business with the aim of lowering prices. **Impact:** **Higher subsidies** can protect employment, but interrupt market forces leading to less competition. This keeps inefficient businesses open. It can lead to overproduction and higher public spending.	

(C) (i) Explain using an example other than the Paddy Box, the term **Indigenous firm**.

(ii) Outline the challenges facing Indigenous firms. (20)

Question			Possible Responses	Marks
2	**(C)**	**(i)**	Explain using an example other than the Paddy Box, the term **Indigenous firm**. An indigenous business is an **Irish/native business** that has been established and is **owned/managed by an Irish individual/citizen**. Indigenous businesses produce goods/services in Ireland and reinvest their profits in Ireland. Examples: Supermac's, Musgrave Group, Glanbia	6 marks (3+3)

Question			Possible Responses	Marks
2	**(C)**	**(ii)**	Outline the challenges facing Indigenous firms. **Rising Costs (Inflation & Energy Prices)** Indigenous firms are facing higher input costs, including raw materials, wages, transport, and especially energy. These rising costs squeeze profit margins and make it harder to remain competitive on the global market. **Intense International Competition** Indigenous firms often compete with large multinational companies that benefit from economies of scale, greater financial resources, and global brand recognition, making it difficult for smaller Irish firms to expand or win market share. **Access to Finance** Many indigenous businesses struggle to secure funding for expansion or innovation, particularly during periods of economic uncertainty when banks and investors are more cautious. **Labour Shortages and Skills Gaps** Firms face difficulties attracting and retaining skilled workers due to talent shortages, rising wage demands, and competition from multinationals that can offer higher pay and benefits. Many skilled workers are emigrating making it more difficult to recruit and retain talent. **Brexit and Trade Uncertainty** Brexit has increased costs and complexity for firms trading with the UK through customs checks, regulatory divergence, and currency fluctuations, impacting exports and supply chains. **Digitalisation and Technological Change** Keeping up with rapid technological change requires investment in digital systems, cybersecurity, and e-commerce. Many indigenous firms lack the scale or expertise to adapt quickly. **EU Regulations** EU regulations can challenge Indigenous firms by imposing compliance costs and red tape. These new rules can indirectly restrict market access, raise operating costs, and disadvantage Indigenous businesses whose governance, land tenure, or production systems do not fit the required specifications in the regulation.	14 marks 2@7(4+3)

Question 3

(A) **(i)** Explain the term **free trade**.

(ii) Outline benefits of international trade for the Irish economy.

(20)

Question			Possible Responses	Marks
3	**(A)**	**(i)**	Explain the term **free trade**. Free trade is an economic approach in which countries allow goods and services to **move across borders, without barriers** such as taxes or quotas on imports.	5 marks (2+3)

Question			Possible Responses	Marks
3	(A)	(ii)	Outline the benefits of international trade for the Irish economy. **Economic Growth** International trade allows Irish firms to access larger markets, increasing sales, production, and national income. **Improved Quality** The increased pressure caused by global competition may cause indigenous firms to provide goods at higher quality levels in order to survive in the domestic market. **Employment Creation** Export-led growth supports jobs across manufacturing, services, agriculture, and technology sectors. **Attraction of Foreign Direct Investment (FDI)** Ireland's open, trade-friendly economy attracts multinational companies, boosting investment, skills, and tax revenue. **Increased Consumer Choice** Imports give Irish consumers access to a wider variety of goods, services and raw materials at competitive prices. **Lower Prices and Greater Efficiency** Competition from international markets encourages firms to become more efficient, helping to reduce costs and prices. **Specialisation and Comparative Advantage** Ireland can focus on industries where it is most efficient—such as pharmaceuticals, agri-food, and ICT—while importing other goods. **Improved Living Standards** Trade increases income, employment, and choice, contributing to a higher standard of living. **Access to Resources and Technology** International trade allows Irish firms to access raw materials, advanced technologies, and expertise not available domestically.	3@5m(2+3)

(B) **(i)** Illustrate what is meant by the term **invisible export**, with reference to the Irish economy.

(ii) Explain the impact ICT has had on Irish businesses engaged in international trade.

(20)

Question			Possible Responses	Marks
3	**(B)**	**(i)**	Illustrate what is meant by the term **invisible export**, with reference to the Irish economy. Invisible exports are **Irish services** sold abroad to foreign customers/businesses. The purchase of an Irish service by a foreigner. Money coming into Ireland from Irish services sold abroad to foreign customers. e.g. People from outside Ireland holidaying in Ireland, financial/insurance services provided by Irish firms abroad	6 marks (3+3) Example Required

Question			Possible Responses	Marks
3	**(B)**	**(ii)**	Explain the impact ICT has had on Irish businesses engaged in international trade. **High speed broadband/Wi-Fi/5G** Continuous advancements in technology has resulted in high speed communication across the world. Irish business can communicate with customers, suppliers, service providers etc. at the touch of a button. It has reduced costs for business and given them greater access to customers around the world. **Websites (E-commerce/Online selling)** E-commerce refers to businesses selling goods and services online By using the internet as a sales tool, Irish businesses no longer have to rely on traditional retail methods to sell to customers. Selling online allows even the smallest of businesses to increase their sales and profit margins as there are opportunities to sell all over the world, once they have an online presence. **Video conferencing/Lower costs:** Video conferencing refers to virtual meetings using technology. Developments in ICT have resulted in more cost-effective methods of communication, production, sales etc. Irish businesses can hold meetings via video-conferencing software such as 'Zoom', cutting down on travel costs and utilising time more efficiently. Irish businesses only use an online platform, and this leads to a reduction in the amount of manpower required to sell the product/service. This reduces greatly the cost of employing staff. **Databases/Data Analytics/AI** Business can use the internet to research markets, competitors, suppliers etc., thus helping them to make better and faster decisions by using a variety of different sources. Improved decision making results in more cost savings and increased profits. **Social media** ICT developments have revolutionised how businesses promote themselves and how they interact with customers. Social media such as Facebook and Instagram, Snapchat, TikTok keep business connected to their customers 24/7. It allows them to tailor advertising and develop customer loyalty.	14 marks 2@7m (4+3) Impact Technology

Question			Possible Responses	Marks
3	(B)	(ii)	**Email** Electronic mail has transformed written communications. Data can be sent and received in large quantities. Email has reduced The cost and improved the speed of written communications. **Computer Aided Design** **Computer Aided Manufacturing** **Websites/ E-Commerce - Increased Global Competition:** Advances in ICT make it easier for foreign firms to enter markets digitally. Irish exporters face tougher competition from low-cost or highly efficient international rivals. **Websites / E-Commerce - Cybersecurity Risks:** As trade becomes more digital, Irish firms are more exposed to cyberattacks, data breaches, and intellectual property theft, which can disrupt trade and damage trust. **CAM - Pressure on Traditional Export Sectors:** Digitalisation can reduce demand for some traditional Irish exports (e.g. certain manufacturing or administrative services) as automation and online delivery replace physical trade. **AI - Job Displacement:** Greater use of automation in trade-related industries can lead to Job losses, particularly in low-skill or routine roles. **AI - Regulatory and Compliance Challenges:** Rapid ICT development can outpace international trade regulations, creating uncertainty around data protection, digital services, and cross-border e-commerce. **Access to Broadband - Digital Divide for SMEs:** Smaller Irish firms may struggle to afford or implement advanced ICT systems, leaving them at a disadvantage compared to larger multinational competitors.	

(C) Ireland should remain in the EU.
Do you agree with this statement?
Justify reasons for your answer, from the point of view of business owners. (20)

Question			Possible Responses	Marks
3	**(C)**		**Yes** a business owner would like Ireland to remain in the EU for the following reasons: **Access to the Single Market:** Remaining in the EU gives Irish businesses tariff-free access to over 450 million consumers, making exporting easier and cheaper. **Free Movement of Labour:** EU membership allows businesses to recruit skilled workers from across the EU, helping to address labour and skills shortages. **Attraction of Investment and Stability:** EU membership provides economic and political stability, making Ireland more attractive to investors, which benefits local supply chains. **EU Funding and Supports:** Irish businesses benefit from EU grants, regional development funds, research funding, and supports for innovation and sustainability. **Common Rules and Standards:** Harmonised EU regulations reduce barriers to trade and lower compliance costs when selling across multiple EU countries. **Single Currency:** The Euro has brought relative price stability for Irish businesses and people travelling within the Eurozone countries. There are no volatile exchange rates to deal with when setting prices and sending/receiving payments. Consistent rules/regulations/Ability to attract FDI/CAP. **OR**	2 marks 3@6m(3+3)

Question			Possible Responses	Marks
3	(C)		**No** a business owner would not like Ireland to remain in the EU for the following reasons: **Regulatory Burden:** Some business owners feel EU regulations (e.g. environmental, labour, data protection rules) increase compliance costs and administrative workload. **Loss of Policy Independence:** Ireland must follow EU-wide policies on trade, competition, and state aid, limiting the government's ability to support domestic firms. **Costs of EU Membership:** Contributions to the EU budget and costs of meeting EU standards may be viewed as a financial burden, particularly for small businesses. **One-Size-Fits-All Policies:** EU policies may not always suit the specific needs of Irish businesses, especially in agriculture, fisheries, or small domestic markets.	

Question 4

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

(ii) Distinguish between **constructive dismissal** and **unfair dismissal**. (20)

Question			Possible Responses	Marks
4	(A)	(i)	An employee is said to be discriminated against if he or she is treated in a <u>less favourable</u> way than another person <u>is, has been or would be</u> treated (in a comparable situation on any of the nine distinct grounds).	12marks (8+4)

Question			Possible Responses	Marks
4	(A)	(ii)	**Constructive Dismissal** means that an **employee resigns** due to their **employer's action or inaction** which makes the situation in work so intolerable that the employee feels that they have no choice but to resign from their job. **The burden of proof lies with the employee, and they must show that their resignation was justified.** Before resigning, the employee should have tried every other possibility to resolve the issue with their employer. **Unfair Dismissal** in Ireland occurs when an **employee is dismissed** without substantial grounds justifying the termination. It is generally considered unfair if the **employer doesn't have a valid reason** for the dismissal, or if the **correct procedures are not followed**. The employee can then seek redress. All dismissals are deemed to be unfair, and the **burden of proof lies with the employer** in that they must prove that the dismissal was fair. **<u>Unfair Grounds include</u>** Membership or proposed membership of a trade union, religious or political opinions, the employee having made a protected disclosure, legal proceedings against an employer, race, colour, sexual orientation, age, pregnancy (or any matter connected with pregnancy/birth), unfair selection for redundancy.	8marks 2@4(2+2)

(B) Positive industrial relations are important to business success.

(i) Discuss the ways a business can promote and maintain good industrial relations.

(ii) Outline the possible impact of strike action on each of the following:

- Customers
- Investors

(20)

Question			Possible Responses	Marks
4	(B)	(i)	**Open and Effective Communication:** Regular communication with employees and their representatives helps build trust and prevents misunderstandings. **Employee Consultation and Participation:** Involving employees in decision-making, especially on issues affecting their work, improves cooperation and morale. **Fair Pay and Rewards:** The business should pay competitive wages which will attract employees and reduce industrial relations issues and staff turnover. **Working Conditions:** The business must provide safe working conditions. Favourable working hours (use of flexi time, remote working etc) reduces conflict and dissatisfaction. **Recognition of Trade Unions:** Respecting and engaging with trade unions through collective bargaining helps resolve disputes constructively. **Clear Grievance and Disciplinary Procedures:** Having transparent, agreed procedures for handling disputes ensures issues are dealt with fairly and consistently. **Training and Development Opportunities:** Providing skills development and career progression shows commitment to employees and increases job satisfaction. **Health and Safety Commitment:** Actively promoting workplace health and safety reduces accidents and shows concern for employee wellbeing. **Compliance with Employment Legislation:** Following labour laws and employment rights builds trust and prevents legal disputes. Empowerment/Facilitator approach/Theory Y/Delegation/Teamwork	2@5m(4+1)

Question			Possible Responses	Marks
4	(B)	(ii)	Outline the possible impact of strike action on each of the following: • Customers • Investors **Customers** Customers will be inconvenienced and/or frustrated. Customers will not be able to get or use goods and services when they need them. Important goods and services like electricity or transport can prevent the customer from getting to work or opening their business so will impact negatively on their ability to make a living. **Investors** Strike action will cause a reduction in output which will lead to a fall in sales and profits. Lower profits mean less dividends being available for shareholders and may mean the business will have trouble paying interest on loans. Strike action may deter other people from investing in the business.	2@5m(4+1)

(C) Evaluate the role of the Workplace Relations Commission in dealing with industrial disputes. (20)

Question			Possible Responses	Marks
4	**(C)**		**Advisory Service:** The Workplace Relations Commission's Advisory Service promotes good practice in the workplace by assisting and advising organisations in all aspects of industrial relations in the workplace. It engages with employers, employees and their representatives to help them to develop effective industrial relations practices, procedures and structures. **Conciliation:** Conciliation is a voluntary process in which the parties to a dispute agree to avail of a neutral and impartial third party to assist them in resolving their industrial relations differences. The Workplace Relations Commission provides a conciliation service by making available Industrial Relations Officers (IRO or Conciliation Officer) of the Commission to chair 'conciliation conferences'. Conciliation conferences are basically an extension of the process of direct negotiations, with an independent chairperson present to steer the discussions and explore possible avenues of settlement in nonprejudicial fashion. Participation in the conciliation process is voluntary, and so too are the outcomes. **Mediation:** Mediation seeks to arrive at a solution through an agreement between the parties, rather than through an investigation or hearing or formal decision. The WRC offers a mediation service in certain cases to facilitate the resolution of complaints/disputes where possible at an early stage and without recourse to adjudication. The Mediation Officer empowers the parties to negotiate their own agreement on a clear and informed basis. The process is voluntary and either party may terminate it at any stage. Where an attempt at mediation has been successful, the mediation officer will record the terms of the agreement in writing.	3@6m(3+3) Evaluation 2 marks

Question			Possible Responses	Marks
4	(C)		**Adjudication:** Adjudication Officers of the Workplace Relations Commission (WRC) are statutorily independent in their decision-making duties. The Adjudication Officer's role is to hold a hearing where both parties are given an opportunity to be heard by the Adjudication Officer and to present any evidence relevant to the complaint. The Adjudication Officer will not attempt to mediate or conciliate the case. Parties may be accompanied and represented at hearings by a trade union official, a practicing barrister or practicing solicitor for example. The Adjudication Officer will then decide the matter and give a written decision in relation to the complaint. The decision may: • declare whether the complainant's complaint was or was not well founded, • require the employer to comply with the relevant provision(s), • require the employer to make such redress as is just and equitable in the circumstances including the award of compensation. A party to a complaint may appeal to the Labour Court from a decision of an Adjudication Officer. **Compliance/Inspection Service:** Inspectors visit places of employment and carry out investigations on behalf of the WRC in order to ensure compliance with equality and employment-related legislation. Such investigations involve examining books, records and documents related to the employment, and conducting interviews with current and former employees and employers. Where breaches of legislation have been found, an Inspector may issue either a Compliance Notice or a Fixed Payment Notice to an employer. **Enforcement of Decisions:** If an Employer fails to carry out a decision of an Adjudication Officer of the Workplace Relations Commission, or a decision of the Labour Court arising from an appeal of an Adjudication Officer's decision, within the prescribed time, an application may be made to the District Court for an order directing the Employer to carry out the decision. **Evaluation Required.**	

Question 5

(A) (i) Illustrate your understanding of the term **Enterprise.**

(ii) Explain the benefits of enterprise to your local economy.

(20)

Question			Possible Responses	Marks
5	(A)	(i)	Enterprise is when entrepreneurs use their **initiative** and take a **risk** to do or start **something new**, for example setting up a new business or finding an easier/quicker way of doing something. The return on enterprise is **profit**. Entrepreneurs can also set up not-for-profit organisations (social enterprises). Example: Pat McDonagh Supermac's, Local people setting up a fundraising group to finance the building of a community centre.	6 marks (3+3) Explain Example

Question			Possible Responses	Marks
5	(A)	(ii)	**Creates Jobs:** Enterprise creates jobs both directly and indirectly. Wages and salaries earned give people a higher standard of living and provide them with income to spend in the local community. **Strengthens the Local Economy:** The development of new enterprises increases economic activity. The more successful that local/indigenous businesses become the reliance on foreign direct investment is reduced. **Tax Revenue:** Enterprises generate tax revenue for the government by paying taxes on their profits while staff pay taxes on their wages and VAT on goods and services purchased. This tax revenue will help the government to fund many local public services. **Enterprise Culture:** Successful businesses can boost local and national confidence. Other individuals within the community will be encouraged to engage in enterprising activities and take the risk in setting up their own business. A 'can-do' positive attitude will help to improve the quality of life for all within the community.	14 marks 2@7(4+3)

(B) Discuss the barriers to effective communication faced by a business.

(20)

Question			Possible Responses	Marks
5	(B)		**Language** The use of jargon/over-complicated, unfamiliar and /or technical terms. Need to choose language appropriate to the audience. Short clear sentences, visual supports. **The medium chosen** Must be appropriate to the message been given. The medium should match the formality of the communication. Ensure the medium is correct considering the need for feedback (telephone call) and proof that the recipient has received the message. **Timing** Wrong time/inadequate amount of time. Messages must be delivered at the correct time. Emails outside work may not be read. Messages which arrive near the close of business may be ignored. **Confidentiality** If the message is private and confidential or sensitive, that the choice of media which can be used is restricted. The sender may need access to encryption devices or secure delivery for physical documents. **Cost** The cost of equipment or transmission can also restrict messages being sent in the right way as business may not have the resources to provide it. For example, relocation costs to access high speed broadband and increased postage costs. **Information Overload** Too much information being transferred at once will result in confusion. Too much detail can overwhelm the audience. Messages should be clear and concise. **Lack of feedback** This will result in queries not being answered and confusion among receivers. Build in a feedback mechanism into the process. **Lack of trust** A lack of trust between the parties acts as a barrier to effective communication. Build long term ethical relationships to ensure a trusting relationship exists. Use communications training to overcome all the barriers.	4@5m (2+3)

(C) Evaluate factors that influence the leadership style adopted by business managers. Provide examples to support your answer. (20)

Question			Possible Responses	Marks
5	**(C)**		**Type of work (or type of business)** The type of business and industry strongly influence leadership style. In high-risk industries such as aviation, construction, or healthcare, managers may adopt a more autocratic style because decisions must be made quickly and accurately. Employees are often required to follow strict procedures and safety regulations. In contrast, creative industries such as advertising or software development often favour democratic or laissez-faire leadership because innovation and employee input are important. For example, managers in Ryanair may use a directive approach during emergencies to ensure passenger safety. For example, managers at Google encourage collaboration and idea-sharing to promote creativity. **Type of Employee** The • Level of skill • Motivation • Experience • Level of training of employees influence leadership style and required supervision significantly. Highly skilled and experienced employees usually require less supervision. Managers may therefore adopt a democratic or laissez-faire style and allow employees greater independence. However, inexperienced workers may require closer direction and support. In such cases, managers may use a more autocratic or coaching style until employees gain confidence and competence. For example, senior engineers in Microsoft may be trusted to manage projects with minimal supervision but junior engineers require more monitoring. **Manager's Personality and Experience** A manager's own personality, beliefs, and experience affect how they lead others. Confident and outgoing managers may naturally favour democratic leadership, while highly controlling managers may prefer autocratic methods. Experienced managers are also more likely to adapt their style according to circumstances, using situational leadership approaches. For example, Elon Musk is often associated with a demanding and highly directive leadership style in companies such as Tesla and SpaceX	3@6(2+2+2) Factor Explain Example Evaluation 2 marks

Question			Possible Responses	Marks
5	**(C)**		• Size of the Organisation • Organisational Culture (values, approach to teamwork) • Economic Conditions and External Environment • Technology (digital collaboration) • Remote Working (levels of trust) **Evaluation Required.**	

Question 6

(A) Discuss the importance of **three** Human Resource Management functions for a business such as Ballyfin Demesne Ltd, apart from pay and rewards.

(20)

Question			Possible Responses	Marks
6	(A)		**HR Planning/Manpower Planning:** This involves having the right people with the right skills in the right place at the right time throughout the business. It involves doing a human resource audit and estimating future human resource needs. <u>Importance to business **such as** Ballyfin Demesne Hotel</u>: Training needs will be identified, ensures sufficient staff numbers with relevant skills/qualifications/experience, identifies labour turnover, helps to reduce recruitment and selection costs for the hotel. **Recruitment/Selection:** Recruitment and selection is concerned with finding or attracting the best potential candidates with the appropriate skills and then picking the most suitable candidates for employment. <u>Importance to business **such as** Ballyfin Demesne Hotel</u>: They will need to recruit the correct amount of staff with a positive attitude that will be a good addition to their team. A transparent recruitment and selection process will ensure this. **Training/Development:** Training is concerned with improving the employees' ability to perform their job in an effective manner. Induction training helps new employees fit into the workplace (learn about the job/the policies/rules of the company etc). Other types of training include internal/external training. Development prepares the employees for new responsibilities and greater challenges in the workplace. Helps employees self-actualise. <u>Importance to business **such as** Ballyfin Demesne Hotel</u>: Future promotions/management opportunities, clear understanding of standards expected, reduces likelihood of industrial relations issues, increased workplace productivity, increased customer satisfaction.	3@7,7,6 7(2+3+2) 6(2+2+2) HR function Explain Reference

Question			Possible Responses	Marks
6	(A)		**Performance Appraisal:** This is the process of evaluating the performances, progress, contribution and effectiveness of an employee. It ensures high performance standards in the business, leading to organisational success. It provides for two-way communication and clarification of objectives/ feedback is provided for employees on performance to enable improvements to be made. A meeting is held with the employees to review their progress and set targets for the future. <u>Importance to business **such as** Ballyfin Demesne Hotel</u>: Increased staff motivation identifies staff for promotion, highlights staff training needs, can be used to decide on financial/non-financial rewards, can highlight staff grievances and allow for issues to be dealt with quickly to maintain positive industrial relations. **Managing Industrial Relations:** A function of the HR department is to promote and maintain positive industrial relations in the organisation. HR departments take a proactive approach to ensure positive industrial relations by attempting to maintain open communications with staff and develop grievance procedures. This is to ensure issues are resolved quickly. <u>Importance to business **such as** Ballyfin Demesne Hotel</u>: Maintaining positive industrial relations is vital to their survival. Staff will be happy and more productive. Staff will be motivated and flexible so will work better for the benefit of the business. There will be few strikes and business disruption.	

(B) Illustrate the **types of taxation** that Ballyfin Demesne Ltd should be aware of.

(20)

Question			Possible Responses	Marks
6	**(B)**		**Corporation tax** This is a tax paid on the profits made by companies and cooperatives in Ireland. The current rate of Corporation Tax is 12.5%. This is a low rate compared to other countries designed to attract foreign companies to set up in Ireland. Low CT rates encourage enterprise. Ballyfin Demesne Ltd is liable for CT as they are a company. **Value Added Tax** VAT is a percentage tax added to the price of most goods and services. The standard rate of VAT in Ireland is 23%. Most businesses are required to register as VAT collectors. Ballyfin Demesne Ltd will have to pay VAT on the goods and services it purchases. They will also have to charge VAT on their sales to consumers. **Motor Tax** This is a tax that must be paid every year on all road worthy vehicles. It is collected by local county councils, and the money is used to maintain and upgrade the road network. Motor tax on electric vehicles in Ireland is very low compared to petrol and diesel vehicles. Ballyfin Demesne Ltd will have to pay motor tax on their electric vehicles. **Excise duties** These are taxes that have to be paid on certain types of goods such as alcohol, tobacco and petrol. Ballyfin Demesne Ltd will have to pay excise duties on the alcohol they have stocked in their hotel. **Customs duties** Customs duties are taxes on goods being imported into Ireland from outside the EU. Ballyfin Demesne Ltd will have to pay Customs duty on any goods they import from outside the EU. **DIRT** This is a tax that has to be paid in interest earned on savings. It is automatically deducted by the bank and forwarded to the Revenue Commissioners. The rate of DIRT in Ireland is 33%. Ballyfin Demesne Ltd will have to pay DIRT if they are earning interest on money held in bank accounts.	4@5(2+2+1) Taxation Explain Reference

Question			Possible Responses	Marks
6	(B)		**Capital Gains Tax** This is a tax that has to be paid on the profits earned from the sale of an asset like property. The rate of CGT in Ireland is 33%. Ballyfin Demesne Ltd will have to pay this tax if they make a profit from selling an asset. **Commercial rates** This is a tax levied on commercial properties by local councils used to fund local government services. The rate depends on the value, size and use of the property. Ballyfin Demesne Ltd will have to pay commercial rates each year to their local council. **Employers PRSI** This is a social contribution that must be paid by all employers for every person they employ and it is used to pay social welfare benefits. It is calculated as a % of the employee's gross wage. Ballyfin Demesne Ltd will have to pay employers PRSI for all of their employees. **PAYE/USC** These are taxes paid by employees on their wages and deducted at source by the employer. Ballyfin Demesne Ltd must ensure that all the correct taxes are collected from employees pay and that this is paid to the Revenue Commissioners. Failure to do this can lead to interest and penalties and legal action. **Capital Acquistion Tax – Inheritance Tax** Family owned businesses can result in large inheritance tax liability. They can be sold before inheritance to avoid this if the next generation of the family wish to keep the business. If Ballyfin Demesne Ltd is a family owned hotel, they may be mindful of this as the ownership and running of the hotel in the future. **Carbon Tax** A Carbon Tax is levied to reduce greenhouse emissions. It makes fossil fuels more expensive and cleaner options more attractive. For Ballyfin Demesne Ltd, the carbon cost is typically most relevant through fuel excise/carbon tax built into energy purchases (gas, oil, coal or other heating sources) **Pension contributions under My Future Fund**	

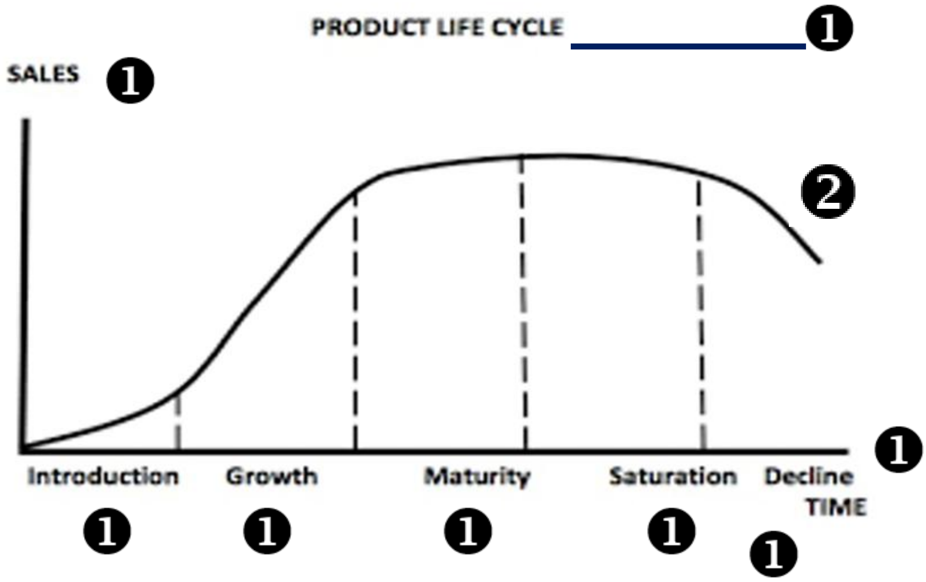
(C) Discuss the strategies used to manage change in a business. (20)

Question			Possible Responses	Marks
6	(C)		**Training and Development:** Staff must be provided with the skills needed for the use of new technologies so as to achieve efficiencies and provide a better service to its customers. Training increases staff's ability to cope and eases staff's fears about new changes. It can be provided on the job or off the job. **Teamwork:** When employees are arranged into teams it can lead to discussion, innovation and change. Teamwork increases staff's familiarity to change. This can ease reluctance to changes that management introduce. **Rewards:** By providing rewards to employees, behaviour can be influenced as they try to achieve those awards. Rewards may include a profit sharing scheme, so employees are encouraged to work as they will achieve a portion of those profits. **Communicate with staff about the changes:** Management should explain the need for the changes and the consequences of not taking any action to ensure the survival of the firm. **Communication should be honest and open:** The benefits of change should be explained to staff. This will reduce uncertainty and tensions among employees. **Consultation with staff:** Management can be seen to seek staff input regarding the changes. Staff are allowed give their opinions about the change. This eases reluctance as staff start to shape the changes. As a result, staff are more likely to be open to changes suggested by management.	4@5m (2+3) Strategy Explain

Question			Possible Responses	Marks
6	**(C)**		**Facilitator approach to management:** Helping employees perform the tasks rather than controlling the task. This may be achieved by: • coaching / providing resources / leading from the back • creating open and transparent environment that encourages team members to discuss and suggest new ways forward. As a result, staff are more likely to be open to changes suggested by management. **Employee Empowerment:** Staff should be involved in the decision-making process giving them a sense of ownership in the process of change. Employees are encouraged and empowered to come up with ideas and these opinions and ideas are taken into account. This allows employees to feel they have a voice and encourages them to take on extra responsibility. With the increased responsibility comes increased enthusiasm for the job and doing it right. **Resource Provider** **Total Quality Management** **Employee Participation** **Lead by example**	

Question 7

(A) Draw the Product Life Cycle diagram for a product of your choice **and** describe the action a business may take at each stage. (20)

Question			Possible Responses	Marks
7	**(A)**			10 marks Title (product) 1m Axis 1m Axis 1m Curve 2m Stages 5@1m

Question			Possible Responses	Marks
7	(A)		**Introduction** – Possible actions: • Heavy promotional campaigns to build awareness • Use promotional pricing (penetration pricing) or premium pricing (price skimming) • Focus on building brand recognition • Offer free samples or introductory offers • Target early adopters • Ensure strong distribution channels are established **Growth** – Possible actions: • Increase production to meet demand • Improve product features or quality • Expand distribution channels • Adjust pricing to remain competitive • Strengthen brand loyalty through advertising • Differentiate from competitors **Maturity** – Possible actions: • Reduce costs to maintain profit margins • Introduce product modifications or improvements • Increase promotional offers (e.g. discounts, loyalty schemes) • Focus on customer retention • Explore new market segments or export markets • Rebrand or refresh packaging **Saturation** - Possible actions: • Use aggressive promotions or special offers • Differentiate strongly from competitors • Cut costs to remain competitive • Introduce new uses for the product • Bundle with other products **Decline** - Possible actions: • Reduce marketing expenditure • Cut production and operating costs • Discontinue unprofitable versions • Sell the product to another company • Reposition the product for a niche market Withdraw the product from the market	10 marks 5@2m

(B)

Calculate the following for Swift Ltd.

(i) Net profit margin
(ii) Current ratio
(iii) Acid test ratio
(iv) Return on investment (20)

Question			Possible Responses	Marks
7	**(B)**	**(i)**	**Net profit margin** $\frac{\text{Net profit}}{\text{Sales}} \times \frac{100}{1}$ ❶ $\frac{33{,}750}{450{,}000}$ ❶ ❶ $\times \frac{100}{1} =$ **7.5 %** ❶	4 marks **Own figures shaded**

Question			Possible Responses	Marks
7	**(B)**	**(ii)**	**Current ratio** Current Assets : Current liabilities ❶ 174,375 : 93,750 ❶ ❶ **1.86 : 1** ❶	4 marks **Own figures shaded**

Question			Possible Responses	Marks
7	**(B)**	**(iii)**	**Acid test ratio** Current Assets – Closing stock : Current liabilities ❶ 174,375 – 90,000 : 93,750 ❶ ❶ ❶ 84,375 : 93,750 **0.90 : 1** ❶	5 marks **Own figures shaded**

Question			Possible Responses	Marks
7	(B)	(iv)	**Return on investment** $\frac{\text{Net profit}}{\text{Capital Employed}} \times \frac{100}{1}$ ❶ Capital Employed [= Long term loan + Ordinary share capital + retained earnings.] $\frac{33{,}750}{250{,}000+350{,}000+75{,}000} \times \frac{100}{1}$ (33,750 ❶; 250,000 ❷ + 350,000 ❶ + 75,000 ❶) $\frac{33{,}750}{675{,}000} \times \frac{100}{1}$ = **5 %** ❶	7 marks Capital Employed = 4(2+1+1) **Own figures shaded**

(C) Analyse the profitability **and** liquidity of Swift Ltd for 2025, with reference to the industry average results shown. Make recommendations for Swift Ltd. (20)

Question			Possible Responses	Marks
7	(C)		<u>**Profitability:**</u> **Net margin:** The Net profit margin for Swift Ltd is 7.5%. It is on par with the industry average which is also 7.5% so Swift Ltd should be happy with this. ***The company should try to improve this by making more sales or lowering expenses.*** **Return on investment:** The Return on investment for Swift Ltd is 5%. This is 3% below the industry average of 8%. ***The company could improve this by reducing their long term loan.***	Profitability 2@5m(3+2) Compare, recommendation
			<u>**Liquidity:**</u> **Current ratio:** The current ratio for Swift Ltd is 1.86 : 1 which is below the recommended and below the industry average of 2.1 : 1. ***Swift Ltd should attempt to lower their current liabilities and monitor cash flow to improve this ratio.*** **Acid test ratio:** The acid test ratio for Swift Ltd is 0.90 : 1 which is below the recommended and below the industry average of 1.2 : 1. Swift Ltd only has 90c in liquid assets to repay every €1 owed. ***They can also reduce closing stock to increase this ratio.***	Liquidity 2@5m(3+2) Compare, recommendation

Question 8

(A) Illustrate, with reference to Adidas, the benefits of branding for the consumer.

(20)

Question			Possible Responses	Marks
8	**(A)**		• Branding helps the buyer to identify a particular supplier's goods and creates and maintains their confidence in the performance of the brand e.g. Adidas famous three stripe logo/brand makes products easily identifiable. • Consumers remember simple names. It is important to make sure the name can be associated with a positive value, characteristic, or position. Consumers like products to which they can associate positive qualities. e.g. Adidas product placement in movies, associations with famous sportspeople, cultural icons etc. • The purchase and use of brands allows a consumer/buyer to fulfil their need of self expression and also communicate his or her self image. E.g. Adidas brand represents confidence, creativity and cultural reference • Brands help consumers/buyers to judge the value/measure the quality of a product. E.g. When consumers see the Adidas brand and will associate it with quality and value based on past purchases. • Consumers will trust the Adidas brand name to fulfil these requirements whichever type of product they choose. E.g. Adidas has, over the years, built up some key core brand characteristics (Performance, cultural relevance, brand identity, sustainability, creativity) emphasising quality and innovation that will apply to any Adidas product.	3@7,7,6 7(4+2+1) 7(4+2+1) 6(3+2+1)

(B) **(i)** Explain the term **Channel of Distribution**.

(ii) Evaluate the benefits **and** challenges for Adidas of choosing a direct channel of distribution rather than selling through wholesalers and retailers.

(20)

Question			Possible Responses	Marks
8	**(B)**	**(i)**	The channel of distribution refers to how a business/manufacturer gets their product to a consumer. For example: Manufacturer direct to the consumer. Manufacturer – Wholesaler – Consumer.	6 marks (3+3)

Question			Possible Responses	Marks
8	**(B)**	**(ii)**	**Benefits:** • The shortest and simplest form of distribution channel (factory outlet to consumer) • Low overheads • Potential Global reach (internet/eBay) • Greater flexibility • 24/7 (convenient for consumers) • Higher rates of profit than indirect distribution channels/Profits given directly to producers. • More control over distribution-the longer the channel the less control is available. **Challenges** • Cannot compete with geographical reach and business volume of a distribution channel that includes major wholesalers and retailers. • Customers may be asked to shoulder the burden of the shipping costs if phone, mail or internet is involved. • Some competitors may be using different channels. • Lack experience and may be better off using the expertise of an established and reputable wholesaler. **Evaluation required**	3@4m (2+2) Evaluation 2 marks

(C) Discuss the short-term **and** the long-term implications of expansion for a business.

(20)

Question			Possible Responses	Marks
8	(C)		**Short-Term Implications** **Increased Costs**: • **Operational Expenses**: Expanding a business often involves higher costs in the short term, including setup costs for new locations, hiring additional staff, marketing, and developing new products or services. There may also be increased logistical costs. • **Debt**: If the expansion is financed through loans or credit, the business may face additional financial strain in the short term due to interest payments and debt management. **Disruption to Existing Operations**: • Expansion can divert attention and resources away from the core business, leading to operational disruptions. For example, existing staff may be overburdened, or resources may be stretched thin as the business tries to juggle both the expansion and ongoing operations. • **Cultural or Organisational Strain**: Integrating new teams, products, or locations may create friction with existing employees or systems, requiring time for adjustment and alignment. **Market Risk**: • The company may face uncertainty in new markets, whether that be new geographic regions, customer segments, or product categories. The demand may not meet expectations, leading to possible losses. • There could also be risks from competitors already established in those markets, which may limit growth opportunities in the short term. **Brand and Reputation Risks**: • If the expansion is rushed or poorly executed, it can damage the company's brand reputation. Customers may experience lower quality service, leading to dissatisfaction and negative reviews. • New product launches, for example, might face problems such as quality control issues or underperformance, which can harm customer trust.	4@5m(2+3) At least one of each required

Question			Possible Responses	Marks
8	(C)		**Cash Flow Pressures**: • The upfront investment required for expansion can lead to short-term cash flow issues, particularly if the business relies heavily on working capital or short-term profits to operate. Without careful cash flow management, this could jeopardise the business's ability to meet its financial obligations. **Long-Term Implications** **Revenue Generation**: In the long run, successful expansion can lead to significantly higher revenues as the business taps into new markets, customer segments, or product lines. **Diversification**: • Expansion often helps a company diversify its income sources, which can reduce the risk of dependency on a single market or product. This makes the company more resilient to economic downturns or changes in customer preferences. **Increased Market Share**: • Over time, expansion can help the company secure a larger portion of the market, both in existing and new regions. This could lead to economies of scale, reduced competition, and the ability to dictate market trends. **Brand Recognition and Loyalty**: • A successful expansion strengthens the company's brand presence. As it builds a loyal customer base in multiple regions or with various products, the brand may become more trusted and recognised on a broader scale. • The brand can potentially attract new partners, suppliers, or investors, further propelling growth.	

Question			Possible Responses	Marks
8	(C)		**Economies of Scale**: • Expansion often results in economies of scale, where the company can reduce costs per unit as production and operations grow. Bulk buying, optimized supply chains, and better resource allocation can all contribute to improved margins in the long run. **Innovation and Competitive Edge**: • To compete effectively in expanded markets, businesses often need to innovate, whether through new technologies, services, or business models. This innovation can provide a long-term competitive advantage. • Companies that succeed in expansion often become leaders in their industry, having established themselves in multiple niches or global markets. **Talent Acquisition and Retention**: • Expanding a business may involve hiring more employees, and this can help the company access a wider pool of talent. Long-term expansion may lead to stronger, more diversified teams with new skills that contribute to innovation. • However, managing a larger workforce can be challenging and requires effective leadership and human resources management. **Global Expansion and Risk Diversification**: • If a business expands internationally, it can protect itself from local economic downturns or geopolitical risks. By diversifying its market base, the company may stabilise revenue and growth over time.	