Coimisiún na Scrúduithe Stáit
State Examinations Commission

Leaving Certificate 2026

Marking Scheme

Business

Ordinary 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.
- An examiner unsure of the validity of the approach adopted by a particular candidate to a particular question should contact his/her advising examiner.

LEAVING CERTIFICATE BUSINESS - ORDINARY LEVEL

EXPECTED RESPONSES – 2026

SECTION 1 100 marks

Answer 10 Questions – Each Question carries 10 marks

QUESTION	MARKING SCHEME			TOTAL MARKS
1	1st term 2nd term 3rd term	4m 3m 3m	(2+1+1) (1+1+1) (1+1+1)	10
2	**Four** entries:	3m + 3m + 2m + 2m		10
3	**Three** entries**:**	4m + 3m + 3m		10
4	**Three** ticks:	4m + 3m + 3m		10
5	**Four** entries:	3m + 3m + 2m + 2m		10
6	**Two** entries:	@ 5m each (3 + 2)		10
7	**Two** entries:	@ 5m each		10
8	**Two** entries:	@ 5m each (3 + 2)		10
9	**Two** entries:	@ 5m each		10
10	**Four** entries**:**	3m + 3m + 2m + 2m		10
11	**Two** entries:	@ 5m each (3 + 2)		10
12	**Four** circles:	3m + 3m + 2m + 2m		10
13	**Two** entries**:**	@ 5m each		10
14	**Three** entries**:**	3m + 4m + 3m		10
15	**Five** entries:	@2m each		10

SECTION 2 – 300 MARKS

PART 1

Question 1

(A)	Yes Explanation:	10m 5m (4 + 1)	15
(B)	Explain Terms:	10m (7 + 3) 5m (4 + 1)	15
(C)	(i) Name: (ii) One function:	10m 5m (4 + 1)	15
(D)	Two forms:	10m (7 + 3) 5m (4 + 1)	15
(E)	Two benefits:	10m (7 + 3) 5m (4 + 1)	15
	Available Marks		**75**

Question 2

(A)	Name: One reason:	10m 5m (4 + 1)	15
(B)	Name: Explain one	12m (4 + 4 + 4) 3m (2 + 1)	15
(C)	(i) One Impact (ii) One Impact	10m (7 + 3) 5m (4 + 1)	15
(D)	Explain two:	10m (7 + 3) 5m (4 + 1)	15
(E)	Outline two:	10m (7 + 3) 5m (4 + 1)	15
	Available Marks		**75**

Question 3

(A)	Graph or Bar Chart:	Title 1m Labelled Axis (2m+2m) 5 Bars @ 2m each (1m each if not to scale)	15
(B)	(i) Explain difference: (ii) Identify two:	10m (7 + 3) 4m + 1m	15
(C)	(i) List two: (ii) Outline two:	9m (7 + 2) 3m (2 + 1) 3m (2 + 1)	15
(D)	Two benefits:	10m (7 + 3) 5m (4 + 1)	15
(E)	Name and explain: Explain:	10m (7 + 3) 5m (4 + 1)	15
	Available Marks		**75**

Question 4 :

(A)	(i) Name one: (ii) Explain:	7m 8m (4 + 4)	15
(B)	Outline two:	10m (7 + 3) 5m (4 + 1)	15
(C)	(i) Answer: Explain (ii) List two:	7m 3m 5m (4 + 1)	15
(D)	Explain: Example:	5m (4 + 1) 10m	15
(E)	(i) State two: (ii) Outline one:	7m + 3m 5m (4 + 1)	15
	Available Marks		**75**

PART 2

Question 5

(A)	**List** five:	6m + 3m+ 2m + 2m + 2m	15
(B)	**Outline** two:	10m (7 + 3) 5m (4 + 1)	15
(C)	**Explain** two**:**	10m (7 + 3) 5m (4 + 1)	15
(D)	**Describe** two**:**	10m (7 + 3) 5m (4 + 1)	15
(E)	**Outline** two**:**	10m (7 + 3) 5m (4 + 1)	15
	Available Marks		**75**

Question 6

(A)	(i) Explain (ii) Name one	10m (7 + 3) 5m	15
(B)	(i) Explain term: (ii) Outline two:	9m (7 + 2) 6m (2 +1) + (2 +1)	15
(C)	Name and explain:	10m (7 + 3) 5m (4 + 1)	15
(D)	(i) Answer: (ii) Outline two:	9m 3m (2 + 1) 3m (2 + 1)	15
(E)	Outline two:	10m (7 + 3) 5m (4 + 1)	15
	Available Marks		**75**

Question 7

(A)	(i) List two: (ii) List two:	7m + 3m 4m + 1m	15
(B)	Outline two:	10m (7 + 3) 5m (4 + 1)	15
(C)	Calculate:	4m + 4m + 3m + 4m	15
(D)	Explain two:	10m (7 + 3) 5m (4 + 1)	15
(E)	Outline two:	10m (7 + 3) 5m (4 + 1)	15
	Available Marks		**75**

Question 8

(A)	**Explain** two:	10m (7 + 3) 5m (4 + 1)	15
(B)	**Explain** two:	10m (7 + 3) 5m (4 + 1)	15
(C)	**List three**:	10m + 4m + 1m	15
(D)	**Method:** **Reason:**	10m 5m (4 + 1)	15
(E)	**Two** reasons:	10m (7 + 3) 5m (4 + 1)	15
	Available Marks		**75**

Question 9

(A)	**Outline** two:	10m (7 + 3) 5m (4 + 1)	15
(B)	**Outline** two:	10m (7 + 3) 5m (4 + 1)	15
(C)	**Explain** two:	10m (7 + 3) 5m (4 + 1)	15
(D)	**Draw two:**	4m (1 + 1 + 1 + 1) 11m (4 + 4 + 3)	15
(E)	**Outline** two:	10m (7 + 3) 5m (4 + 1)	15

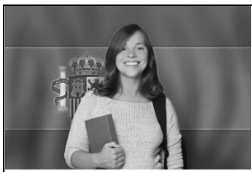
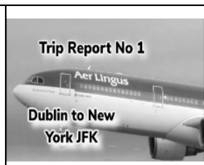
LEAVING CERTIFICATE BUSINESS - ORDINARY LEVEL

EXPECTED RESPONSES – 2026

Section 1 **Short Answer Questions** **100 marks**

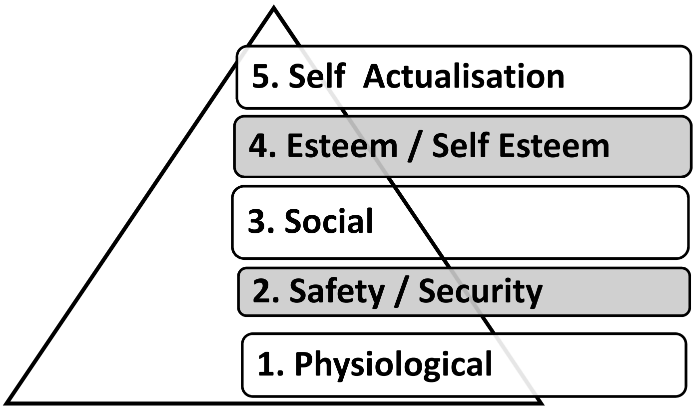
<table>
<tr><th>Q</th><th>Expected Responses</th><th>Marks</th></tr>
<tr><td>1.</td><td>What do the following letters stand for?
<table>
<tr><td>USP</td><td>Unique Selling Point</td></tr>
<tr><td>BIK</td><td>Benefit in Kind</td></tr>
<tr><td>USC</td><td>Universal Social Charge</td></tr>
</table></td><td>10m
4
3
3</td></tr>
<tr><td>2</td><td>Indicate TRUE or FALSE after each of the following statements.
<table>
<tr><th>STATEMENT</th><th>TRUE or FALSE</th><th></th></tr>
<tr><td>A strategic plan is a long-term plan of the overall goal of the business.</td><td>True</td><td>3</td></tr>
<tr><td>A contingency plan is a plan put in place should something expected happen.</td><td>False</td><td>3</td></tr>
<tr><td>A tactical plan is plan for 5 to10 years.</td><td>False</td><td>2</td></tr>
<tr><td>A mission statement is a summary of the vison, aims and values of a business.</td><td>True</td><td>2</td></tr>
</table></td><td>10m</td></tr>
<tr><td>3.</td><td>Identify the three other elements of the marketing mix.
<table>
<tr><td>Product</td><td>Price</td></tr>
<tr><td colspan="2">Marketing Mix</td></tr>
<tr><td>Place</td><td>Promotion</td></tr>
</table></td><td>10m
4
3
3</td></tr>
<tr><td>4.</td><td>Indicate by placing a tick (✓) in the correct box, the European Institution that each statement best describes.
<table>
<tr><th></th><th>Statement</th><th>European Parliament</th><th>European Commission</th><th>Council of the EU</th><th></th></tr>
<tr><td>(i)</td><td>Manage the day to day running of the EU</td><td></td><td>✓</td><td></td><td>4</td></tr>
<tr><td>(ii)</td><td>Debate and approve EU law.</td><td>✓</td><td></td><td></td><td>3</td></tr>
<tr><td>(iii)</td><td>Adopt EU Law and co-ordinates EU Policy</td><td></td><td></td><td>✓</td><td>3</td></tr>
</table></td><td>10m</td></tr>
</table>

5.	**Match the example in the table with the most relevant type of international trade from the list below:** **Visible import / Invisible import / Visible export / Invisible export.**	**10m**

			
Spanish student studying in Ireland	Kerrygold butter sold in France	Bananas sold in Ireland	Irish citizen travelling to New York
(i) Invisible Export	**(ii) Visible Export**	**(iii) Visible Import**	**(iv) Invisible Import**

Marks: 3 / 3 / 2 / 2

6.	**Explain the difference between an Intrapreneur and an entrepreneur.**	**10m**
	An Intrapreneur is an employee within a business who sees an opportunity to create new products/services in the business or new/improved methods of producing products/providing services, but doesn't own the business. Example: Arthur Fry, a scientist at 3M, came up with the idea of the Post-it Note.	3 + 2
	An Entrepreneur is someone who uses initiative, spots a gap/opportunity, and takes a risk (both a financial and personal risk) by setting up a new business with the hope of making a profit. Example: Brian Lee took a risk to set up Freshly Chopped, a healthy food outlet in 2012.	3 + 2
7.	**Complete levels 2 and 4 of Maslow's Hierarchy of Needs pyramid.**	**10m**



Marks: 4. Esteem / Self Esteem — 5; 2. Safety / Security — 5

<table>
<tr><td>8.</td><td>Outline the purpose of the following insurance forms.

1. Proposal Form: a form filled out to collect all relevant details when applying for Insurance. This helps the insurance company calculate the premium. It's important to fill the proposal form with Utmost Good Faith.

2.Claims Form: a form to be filled out when seeking compensation for financial loss or damage. It helps describe what happened and what was lost. This along with assessor's report will help calculate the compensation.</td><td>10m

3+2

3+2</td></tr>
<tr><td>9.</td><td>Choose the appropriate words to complete the sentences below. (One word does not apply) Matrix Narrow Wide

(i) A team-based organisational structure is called a Matrix organisational structure.

(ii) Directly supervising a large number of employees means a manager has a Wide span of control.</td><td>10m

5

5</td></tr>
<tr><td>10.</td><td>Indicate whether each of the following is an example of Direct or Indirect Tax by placing direct or indirect into the box.

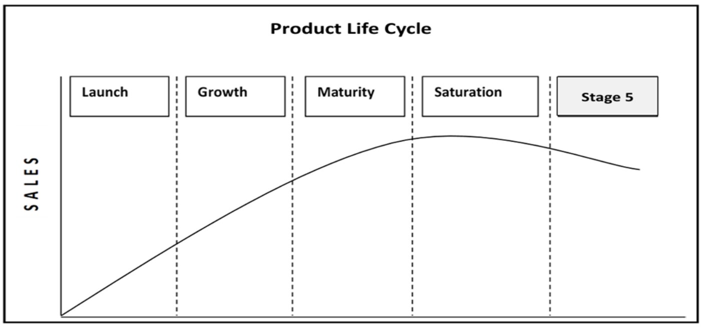
<table><tr><th>Tax</th><th>Direct or Indirect</th></tr><tr><td>PAYE (Pay as you earn)</td><td>Direct</td></tr><tr><td>Local Property Tax</td><td>Direct</td></tr><tr><td>VAT (Value Added Tax)</td><td>Indirect</td></tr><tr><td>Excise Duty</td><td>Indirect</td></tr></table></td><td>10m

3
3
2
2</td></tr>
<tr><td>11.</td><td>List two responsibilities a data controller has in relation to their 'customers data' under General Data Protection Regulation (GDPR).

• Use data for specified purpose – information from an individual can only be used for the purpose it was taken.
• Obtain data fairly – customer's need to be made aware why data is being collected.
• Keep data safe and secure – businesses have an obligation to store data safely and reduce risk of unauthorised access.
• Delete data – businesses must delete customer data once the data has been used for the specified purpose.
• Provide data upon request – individuals have the right to access their data within 30 days of a request.</td><td>10m

3+2

3+2</td></tr>
</table>

12.	**Circle the correct option in each of the following statements**: (i) An increase in the cost of goods from one year to the next is called **inflation /** deflation. (ii) Higher employment rates lead to an increase **/ decrease** in government spending on social welfare. (iii) Higher interest rates mean the total cost of borrowing will be **higher /** lower for consumers. (iv) A recession will lead to an increase **/ decrease** in spending amongst consumers.	**10m** 3 3 2 2
13.	**The diagram below illustrates the Product Life Cycle. Answer the questions which follow.**  (i) Identify the stage above, labelled stage 5. **Decline** (ii) Identify a stage of the product life cycle where sales increase. **Launch / Growth / Maturity**	**10m** 5 5
14.	**The following information is available from the final accounts of Deacy Ltd on the 31/12/25. Calculate the Acid Test Ratio.** **Formula:** Current Assets – Closing Stock : Current Liabilities **Workings:** (110,000 – 42,000) : 136,000 68,000 : 136,000 **Answer:** 0.5 : 1	**10m** 3 3 4
15.	**Matching of Stakeholders with Explanations:**	**10m**

Stakeholders	**1**	**2**	**3**	**4**	**5**
Explanation	**E**	**F**	**D**	**B**	**C**

5 x 2m

SECTION 2 – 300 MARKS

QUESTION 1

	Possible Responses	Marks
(A)	**Is the retailer responsible for providing a remedy to Michael's problem. Explain your answer.** Yes, the retailer is responsible. Under Irish consumer law (Sale of Goods and Supply of Services Act 1980 and Consumer Rights Act 2022), the **contract is always between the consumer and the retailer**, not the manufacturer. This means the retailer must deal with complaints, provide remedies, and ensure the product meets legal standards. Telling Michael to contact the manufacturer is **illegal** — the retailer cannot avoid responsibility.	**15m** **10** **5** (4+1)
(B)	**Explain the terms 'merchantable quality'** and **'fit for purpose'.** **Merchantable quality**: The goods should be of reasonable standard, considering their durability, description, and the price paid for them. This means products should be free from defects and suitable for the purpose they were intended. It's a legal requirement under consumer law. **Example:** A reclining armchair that cost €720 should remain in good condition for longer than 3 months and should not peel and become discoloured. **Fit for purpose:** This means that goods must be able to do what they are meant to do and what they are designed for. It's a legal requirement under consumer law. **Example**: A reclining chair should recline properly, be comfortable, and withstand normal use. A waterproof jacket should keep the rain out and a fridge freezer must be capable of freezing food.	**15m** **10** (7+3) **5** (4+1)

<table>
<tr>
<td>(C)</td>
<td>(i) Name a consumer agency that could assist Michael.

CCPC – Competition and Consumer Protection Commission.

CAI – Consumer Association of Ireland.

(ii) Outline one function of the consumer agency you named.
Competition and Consumer Protection Commission.

Could offer advice to Michael on his rights through their media, website, helpline.
Encourage the retailer to comply with and correctly adhere to consumer law.
Enforces consumer law – They can issue on-the-spot fines/bring the retailer to court if they are in breach of the laws.
Investigates suspected breaches of competition or consumer protection law – serious breaches may result in criminal convictions.
The CCPC also provides consumer information and investigates complaints.

Consumers Association of Ireland

This is a voluntary organisation who advocates for consumer rights and could offers advice to Michael and assist him with his situation with the retailer.
Advocates and lobbies on behalf of the consumer.
Tests products and services without bias.
Publishes a monthly online magazine ‘Consumer Choice’.

</td>
<td>15m

10

5
(4+1)</td>
</tr>
<tr>
<td>(D)</td>
<td>Outline two forms of remedy/redress that Michael is entitled to.

Refund: To return the money (€720) that Michael paid for the armchair. If a consumer purchases a faulty good and complains promptly then s/he is entitled to a full cash refund.
Replacement: An exchange may also be provided to Michael, e.g. a new armchair of the same or similar quality. The consumer can be provided with a perfect solution as a substitute for the imperfect product that was sold.
Repair: The retailer can offer to fix the faulty product for Michael, making the chair as good as new.

</td>
<td>15m

10
(7+3)

5
(4+1)</td>
</tr>
</table>

(E)	**Explain two benefits to Michael of taking his case to the Small Claims Court/Procedure if his complaint is unresolved.** Michael's armchair cost €720 which is under the requirement of €2,000 when taking a claim to the small claims court. • **Inexpensive/low cost:** It only costs €25 to take a case to the Small Claims Court. • **No solicitors involved**: The consumer does not have to pay for legal representation. Simple and informal process. • **Convenient**: The case is heard in the local district court. Easy to access. The application can be made online. • **Fast and quick resolution**: The case being heard locally can lead to the complaint being resolved quickly. • **Fair**: The judge listens to both sides and gives findings. The judge is impartial.	**15m** **10** (7+3) **5** (4+1)

QUESTION 2

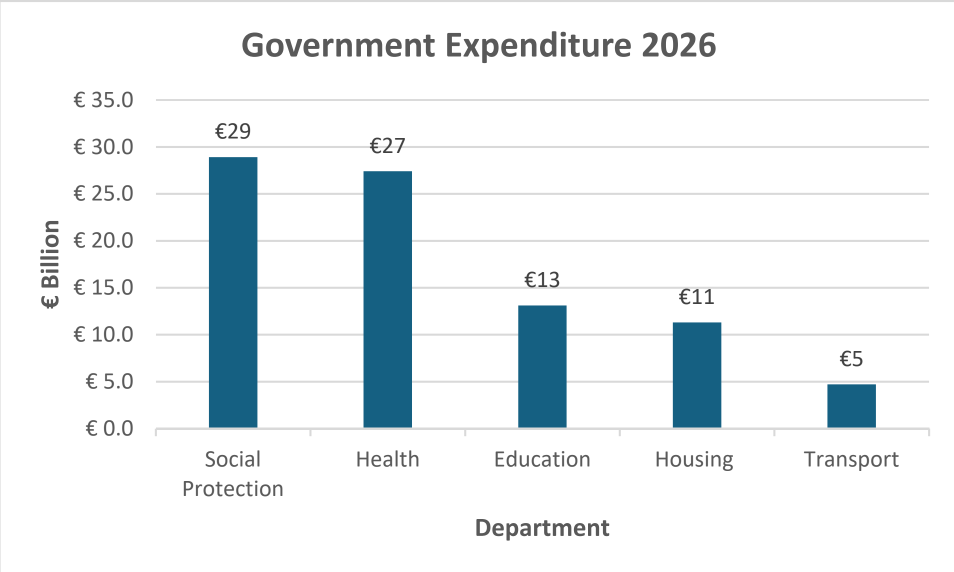
	Possible Responses	Marks
(A)	**(i) Name the sector of the economy in which farmers operate.** Primary Sector **(ii) Explain one reason why this sector is important to the Irish economy.** • **Food Security:** Farming and fishing industries provide essential food for Ireland, reducing our reliance on imports and improving the balance of payments e.g. potatoes. • **Exports:** The Irish agri-food sector is a massive exporter, by producing far more food (especially beef and dairy) than is consumed domestically. This contributes to Irelands GDP, strengthening our national economy. • **Provides essential raw materials for other industries:** Raw materials from the primary sector are used in the manufacturing of many products such as ingredients for food along with materials for construction such as timber (Forestry). • **Rural Employment:** This sector supports jobs both directly and indirectly in Ireland, reducing public expenditure on social welfare (job seekers allowance). • **Economic Spin-offs:** Farming drives the rural economy through the "spin-off" effect, as farmers purchase machinery, fertilizers, and veterinary services, supporting local businesses, while events like the National Ploughing Championship stimulate tourism and local revenue.	**15m** **10** **5** (4+1)
(B)	**Land is one the factors of production. Name the other three factors of production and explain one of them.** (i) Labour / Capital / Enterprise (ii) **Labour:** This refers to all employees required to produce goods and services e.g. factory workers, engineers, etc. **Capital:** This refers to all man-made resources used in the production process and the finance used to purchase these resources. e.g. machinery, equipment, premises etc. **Enterprise:** This is the idea/initiative for the business and the co-ordination of the other three factors of production to create a viable business. Example Pat McDonagh (Supermac's).	**15m** **4 + 4 + 4** **3** (2+1)

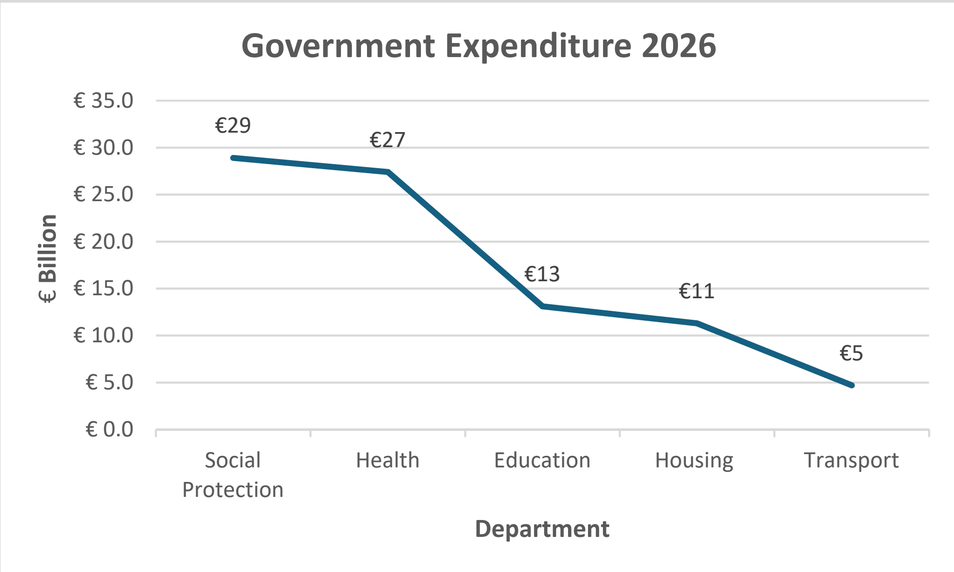
(C)	**Outline one impact the lower VAT rate could have on each of the following:** **(i) Tourism and Hospitality in Ireland** • **Increased Demand and Competitiveness:** The reduction in VAT by 4.5% lowers the cost of goods and services, e.g. eating out in restaurants. This improves Irelands competitiveness against European rivals and attracting more domestic staycations and overseas tourists. • **Employment Growth:** The increased demand for services directly supports more jobs. • **Reinvestment:** Improved cash flow enables businesses to reinvest in renovations, staff training, innovation, sustainability etc. enhancing the overall quality of the tourism in Ireland. • **Spin-off Effects :** Increased activity boosts surrounding businesses, e.g. transport providers, and food suppliers. **(ii) The Irish Government** • **Reduced Revenue:** A lower VAT rate directly decreases the amount of VAT collected from the sector. • **Less funding for Public Services:** Reduced income limits the government's ability to finance critical sectors such as health, social protection, and public infrastructure. • **Future planning:** Frequent changes between lower and higher rates create uncertainty for long-term planning for government.	**15m** **10** (7+3) **5** (4+1)

(D)	**Explain how a business can behave ethically towards its employees.** • **Pay Fair Wages:** that reflects employees' skills, experience, and the cost of living. • **Provide Safe Working Conditions:** Ethical employers ensure the workplace is safe, clean, and compliant with health and safety laws. • **Offer Equal Opportunities**: Employees should be treated equally regardless of gender, age, race, religion, or disability. • **Respect Work–Life Balance:** Offering flexible hours or remote work options supports employee wellbeing. • **Provide Training and Development:** by offering training, upskilling. • **Protect Employee Data and Privacy:** Businesses must keep personal information confidential and comply with GDPR. • **Encourage Open Communication:** Allow employees to give feedback without fear of punishment. • **Prevent Bullying and Harassment:** have clear policies.	**15m** **10** (7+3) **5** (4+1)
(E)	**Outline two consequences for a business of behaving unethically.** • Damages business reputation – public perception of the business goes down. • Decreased sales/profits – consumers will change to more ethical businesses. • Demotivated workforce / low staff morale – employees are less likely to work harder due to negative working environment leading to high absenteeism. • Harder to access finance – investors are less likely to invest in an unethical business. • High carbon footprint – not using sustainable methods of production will increase carbon footprint. • Liable to be fined if not behaving in an ethical manner e.g. pollution. • Difficulty Attracting Employees **–** Talented workers avoid companies with a bad reputation. • High Staff Turnover – Unethical practices such as unfair pay or poor treatment cause employees to leave.	**15m** **10** (7+3) **5** (4+1)

QUESTION 3

<table>
<tr><th></th><th>Possible Responses</th><th>Marks</th></tr>
<tr><td>(A)</td><td>Draw a Bar Chart or Line Graph to represent the supplied information.




</td><td>15m

Title 1m

Labelled Axis (2 + 2)

5 Bars @ 2m each (1m each if not to scale)

OR

Title 1m

Labelled Axis (2+ 2)

5 Pts @ 2m each (1m each if not to scale)</td></tr>
</table>

(B)	**(i) Explain the difference between capital expenditure and current expenditure.** **Capital Expenditure:** Involves large spending on infrastructure, that last for more than one year. It is used to acquire new assets or improve existing ones for long-term benefit. It is one-off spending. **Current Expenditure:** The cost of daily operations used up within a year. Keeps the business running smoothly. **(ii) Identify one example of capital and one example of current expenditure for the health sector.** **Capital Expenditure:** Building Hospitals or expansion of Hospitals. Buying new expensive diagnostic machines. **Current Expenditure:** Paying salaries of doctors, nurses, consultants, clerical staff and medical supplies.	**15m** **10** (7+3) **4** **1**
(C)	**(i) List two examples of global companies.** Apple, Coca-Cola, Amazon, Dell, Nike, Toyota, Microsoft, Intel, HP, Google, Facebook (Meta), VW, McDonalds, Tesla, etc. **(ii) Outline two reasons why a global company might set up in Ireland.** • **English speaking country** – Ireland is the only Eurozone member country where English is the primary language. American and Asian transnational companies choose Ireland so as to have less communication difficulties. • **Access to EU markets** – free trade to other EU member states. No duties/import taxes/charges/trade barriers. EU market provides an opportunity to increase sales and profits. • **Government supports from the IDA** – e.g. grants for setting up/infrastructure development through the IDA. • **Low corporation tax** – 12.5% on company profits and 15% on large multinationals. • **Well educated and highly skilled workforce** – talent of the labour force. High number of third level graduates available. • **Cluster effect** – other global businesses follow those in the same sector e.g. pharmaceutical/medical. • **Reputation** – Ireland has established a reputation as a good place for foreign firms to locate. • **Strong infrastructure and technology sector.** • **Brexit** – relocating from the UK to the only other country that uses English as its primary language.	**15m** **7** **2** **3** (2+1) **3** (2+1)

(D)	**Explain two benefits to Ireland of FDI (Foreign Direct Investment).**	**15m**
	• **Employment** – creating jobs directly and indirectly for Irish people leading to a higher standard of living. • **Developing skills** – working for global giants further contributes to Irelands skilled workforce. • **Tax** – an increase in both corporation tax and income tax increases government revenue which has enabled the government to invest in national infrastructure**.** • **Green energy** – many of these companies like Google and Microsoft have committed to being carbon neutral and as a result are contributing to Ireland renewal energy to help power their operations. • **Support local business** – companies like Intel and Pfizer don't do everything themselves. They hire local Irish firms in areas like maintenance and construction such as engineers' plumbers, and also professional services such as accountants, solicitors etc. • **Exports increase** – an increase of both visible and invisible exports contribute to Ireland GDP and improve balance of trade.	**10** (7+3) **5** (4+1)

(E)	**(i) Tariffs are a barrier to international trade. Name and explain one other barrier.** **Quota**: A limit on the number of units of a product that may be imported/exported. Quotas encourage sales of domestically produced products. Example: EU has placed a quota on the clothes from China that can be imported into the EU. **Embargo:** A total ban on the import of goods from one particular country. Usually done for political reasons. Example: USA banning any goods from North Korea or Syria due to political issues. **Subsidies:** Grants and payments made by governments to domestic firms to help them with their day-to-day costs, allowing them to be more competitive and to give them a price advantage over imports. Example: EU has subsidised Airbus -aircraft manufacturing from rival non-EU competition. **(ii) Explain one effect the US 15% tariff on EU exports will have on Irish trade with the US.** • This tariff will reduce Irish exports to the USA as it makes Irish products more expensive for American consumers, which could lead to a drop-in demand, affecting Irelands balance of trade. • Irish companies may lose competitiveness in the US market. This could negatively affect sectors like food and pharmaceuticals, which rely heavily on the US for export revenue. • Irish exporters' profits are reduced**,** as they may have to absorb some of the tariff costs. • Job losses could occur in export-dependent industries if sales fall. • Economic growth in Ireland could slow, as the US is one of Ireland's biggest trading partners. • Irish firms may seek new markets to reduce reliance on the US.	**15m** **10** (7+3) **5** (4+1)

QUESTION 4

	Possible Responses	Marks
(A)	**(i) Apart from Fórsa, name one other trade union in Ireland.** ASTI, SIPTU, INMO, IALPA, TUI, INTO, IBOA. **(ii) Explain the term work-to-rule.** 'Work-to-rule' is a form of industrial action where employees strictly follow all workplace rules and procedures but do no more than what is required. It slows down productivity without breaking any rules. *Example:* A factory worker may refuse to take on tasks outside their job description or stop performing voluntary overtime.	**15m** **7** **8** (4+4)

(B)	**Outline two causes of industrial disputes between employees and employers.**
	• **Pay** – Employees may feel they are not receiving fair wages or raises in line with inflation or industry standards. If negotiations break down, it can lead to disputes.
	• **Working Conditions** – Poor health and safety standards, excessive workloads, or inadequate breaks can cause conflict between employees and employers.
	• **Unfair Dismissal** – if an employee has been unfairly dismissed, it may create industrial unrest in the firm and cause a dispute between management and staff.
	• **Discrimination** – if an employee is being treated differently to other employees, this may result in a dispute with employers.
	• **Redundancy** – if employees are being dismissed due to redundancy, this may cause unrest in relation to who is made redundant and the redundancy package.
	• **Demarcation issues** – if employees are being asked to do the work of others, this may cause industrial unrest.
	• **New work practices/new technology** – the introduction of new technology or change in work practices may result in a dispute.
	• **Other acceptable causes:**
	  • Lack of union recognition
	  • Promotion or job classification issues
		15m
		
		10
		(7+3)
		
		5
		(4+1)

(C)	**(i) Do John and Shane have a valid contract? Explain your answer.** No, John and Shane do not have a valid contract. A valid contract requires essential elements such as **offer**, **acceptance**, and **consideration**. In this case, John advertised the car (which is considered an **invitation to treat**, not an offer). Shane expressed **interest in viewing**, but he never made an offer, nor did John accept one. No agreement or consideration took place, so no contract was formed. **(ii) List two elements of a valid contract.** • Agreement (Offer and Acceptance) • Consideration • Intention to Contract • Capacity to Contract • Consent to Contract • Legality of Purpose • Legality of Form	**15m** **7** **3** **4** **1**
(D)	**Frustration is one of the ways a legal contract may be terminated. Explain, using an example, the term 'Frustration'.** **Frustration** – an unforeseen event makes it impossible for one or both parties to complete the terms of the contract. **Example** – Taylor Swift gets a throat infection and is unable to perform her concert in Dublin; concert is cancelled. Other examples include, death of either party, bankruptcy, extreme weather conditions.	**15m** **5** (4+1) **10**

(E)	**(i) State two reasons for fair dismissal.** **Capability** – not completing the duties of the job due to absenteeism or lateness which are not due to illness or disability. **Competency** – unable to carry out the tasks involved despite being given training and afforded a reasonable time to improve. **Qualifications** – if it turns out that the employee does not have the qualifications required in the job advertisement. **Misconduct** – an employee can be dismissed if they have engaged in any behaviour that is offensive or illegal, e.g. stealing. **Redundancy** – if the employer cannot afford to retain the position which the staff member holds. **(ii) Outline one form of redress for employees who are unfairly dismissed.** **Re-instatement** – The employee is put back into their job as if the dismissal never happened. The employee is entitled to any pay increase or employment benefits since the date of the dismissal. **Re-engagement** – the employee may get their job back or be assigned to another job (approved by the WRC) but may not receive any pay increase or employment benefits since the date of the dismissal. **Compensation** – The employee is paid for the financial loss suffered as a result of the dismissal. The maximum compensation is two years' salary.	**15m** **7** **3** **5** (4+1)

Part 2

QUESTION 5

	Possible Responses	Marks
(A)	**List five skills/characteristics that entrepreneurs like Ronan display.** • Resilience • Decision-making • Confidence • Risk-taking • Innovative • Future focused • Ambitious • Independent • Shows initiative • Proactive • Flexibility • Adaptability	**15m** **6** **3** **2** **2** **2**
(B)	**Ronan turned a problem into a successful business. Outline two other sources of new business ideas for entrepreneurs.** **Personal interests/hobbies/skills** – The entrepreneur may be able to turn a hobby into a successful business. **Research and Development** – A specific R & D department is responsible for coming up with ideas. **Foreign Travel** – An entrepreneur may spot a successful product/service abroad and set up similar in Ireland. **Family/Friends** – family members, friends or colleagues might make a suggestion or highlight a problem with an existing product. **Internet/Media** – ideas from newspapers, TV, radio, websites. **Competitors** – Copy/adapt/improve a competitor's product or service. **Brainstorming** – Employees come together, and bounce ideas off each other. **Import Substitution** – Irish entrepreneur makes a product that is currently being imported. **Customer feedback** – Listen to what customers want and make a product to suit their needs.	**15m** **10** (7+3) **5** (4+1)

(C)	**Explain two rewards for Ronan of setting up his own business.** • **Financial reward:** Any profits generated are his to do as he pleases. • **Personal reward**: The rewarded of setting up his own business will boost his self-confidence. He is building a valuable asset that he can pass down. He can build a strong professional reputation in the tech and beauty-software sectors. • **Skills:** He will become good in various skills in marketing, financing, customer service and leadership. • **Flexibility:** He is his own boss and has control over his working life and makes decisions to suit him. He sets his own schedule. • **Social reward:** His business will generate wealth for others, providing employment and create spin-off business. He will become widely respected and admired. • **Job Security:** Ronan cannot be fired. His job security depends on the success of the business, not on an employer. • **Building a Valuable Asset**: If Phorest becomes highly successful, Ronan could sell the business in the future for a large sum of money. The business itself becomes a long-term financial asset.	**15m** **10** (7+3) **5** (4+1)

(D)	**Leadership styles include Autocratic, Democratic and Laissez-faire. Describe two features of any one leadership style.** **Autocratic leader:** • Gives orders which are expected to be followed. • Does not delegate because he does not trust the abilities of employees. • Makes all decisions – does not consult or discuss with staff. • Motivate employees by using fear or intimidation. • One-Way Communication – Information flows downwards only. • Fast Decision-Making – The leader decides alone, and quickly. **Democratic leader:** • Gives good direction as they guide people towards a common goal. • Delegates work to ensure all employees are involved and included. • Encourages workers to give opinion and listen to all suggestions and feedback. • Motivates by encouraging and including all staff. • Encourages intrapreneurship. • Rewards staff through praise, promotion and empowerment. • Sees communication as two-way, encourages staff input. **Laissez-faire:** • The leader provides little direction and trusts employees to manage themselves and make decisions. • Staff are given autonomy to decide how to do their work. • Employees can experiment, innovate, and find their own solutions. • The leader is available for help but does not interfere unless necessary. • Because employees work independently, decisions may take longer and lack coordination.	**15m** **10** (7+3) **5** (4+1)

(E)	**Outline two benefits of Information and Communication Technology (ICT) for businesses.** • **Remote working** – allowing staff to work from home, improving morale and reducing costs. • **EDI (Electronic Data Interchange)** – stock can automatically be reordered ensuring the business never runs out. • **Manage Appointments** – ICT allows appointment to be arranged digitally (24/7) reducing human errors e.g, Phorest. • **Customers details** – ICT helps make sure customers data is stored securely, complying with GDPR along with reducing space. • **Sales and Marketing** – ICT allows for texts and emails to be sent directly to targeted customers, promoting their business and encouraging customer loyalty. • **Faster communication** – easier to communicate with customer sending appointment reminders through SMS or emails. Also zoom/video conferencing means regular meetings with key people all around the world can be held anytime, decisions can be made quicker and travel cost is reduced. • **Improved customer service** – customers preference and history can be recorded giving a more personalised touch. • **Online Payment Processing** – Payment system can securely process online payments e.g. stripe. • **Data Analytics** – ICT allows businesses to gather and analyse transaction data. This helps businesses track customer behaviour and analyse sales data. • **Preparation of accurate accounts** – Businesses can use various software to keep track of their accounts, e.g., Excel, Sage.	**15m** **10** (7+3) **5** (4+1)

QUESTION 6

	Possible Responses	Marks
(A)	**(i) Explain the term target Market.** **A target market:** is the specific group of people at whom a particular product or service is aimed. The target market may be characterised by age, income level, gender, location and lifestyle. **Example:** Zara (clothing retailer) targets women and men between 18 and 40, with middle incomes and who are fashion conscious. **(ii) Name a target market for Style & Go.** • **Elderly clients** who may find it difficult to travel to a salon • People with **disabilities or mobility issues** who prefer hairdressing services at home • **Busy professionals** who want convenient, time-saving services • **Parents with young children** who find salon visits difficult • **Care homes and assisted living facilities** needing regular hairdressing services for residents • **Rural customers** with limited access to local salons.	**15m** **10** (7+3) **5**
(B)	**(i) Explain the term Sole Trader as a form of business ownership.** A sole trader is a type of business that is owned and operated by one person. The owner has full control, keeps all the profits, but also has unlimited liability, meaning they are personally responsible for any business debts. **(ii) Outline two benefits of operating as a sole trader for Alice.** **Profits** – Alice is the sole owner; the sole trader keeps all the profit after taxes are paid. **Decisions** – Alice gets to make the decisions herself therefore decisions can be made quickly. **Control** – Alice has full control over the business. Control is not diluted/shared. **Formation/set up** – it's relatively easy to set up a sole trader. **Accounts** – The accounts and the financial records of a sole trader are confidential and only must be revealed to the tax authorities.	**15m** **9** (7+2) **6** (2+1) (2+1)

(C)	**Name and explain two types of Insurance that Style & Go should have.** • **Public Liability Insurance** To covers claims if a client or member of the public is injured, or their property is damaged, while Alice is providing hairdressing services. • **Contents / Business Equipment Insurance** This would protect Alice hairdressing equipment and stock against loss, theft, or accidental damage. • **Motor Insurance (Business Use)** Alice would need motor insurance that includes business use for her mobile hairdressing vehicle, covering accidents, fire, or theft while travelling to clients. • **Consequential Loss (Business Interruption) Insurance** This would cover Alice loss of income if her business is forced to close temporarily due to damage to her vehicle or equipment. • **Cash in Transit Insurance** If Alice accepts cash payments, this insurance would protect her if money is stolen while being transported to the bank. • **Key Person Insurance** As Alice is the main income generator, key person insurance will protect the business financially if she becomes ill or injured and cannot work. • **Income Protection Insurance** Income protection insurance would support Alice personally by providing a regular income if she is unable to work due to illness or injury. • **PRSI**	**15m** **10** (7+3) **5** (4+1)

(D)	**(i) Based on Style & Go's cashflow forecast, are they in a better financial position in January or March?** Answer: March **(ii) Outline two possible reasons for your answer.** • Increased Receipts of €4,000 in March, probably due to more people knowing about her business through marketing strategies and word of mouth. • Their receipts have increased from €10,000 in January to €14,000 in March which is an increase of €4,000. There may be more people looking to get their hair done in March in spring for confirmation/communion time. People would have more disposal income in March than in January and February after Christmas. • Payments have decreased by €6,000 from €14,000 in January to €8,000 in March. This could be as a result of costs such as Insurance and purchase of equipment were probably paid in January. • Surplus Net Cash of €6,000 in March, cancelled the negative closing cash of February and left a Closing cash of €4,000. • As she only opened her business in January, she had no opening cash to fall back on.	**15m** **9** **3** (2+1) **3** (2+1)
(E)	**Outline two benefits to Alice of preparing a Cashflow forecast for Style & GO.** **Financial planning** – It predicts inflows and outflows and the sources and timing of cash inflows and outflows. This ensure there is enough cash to pay bills. **Identifies periods when there may be a shortage/deficit** of cash due to large outflows such as bill payments/equipment. **Control** – assists with financial control as it identifies when cutback may be needed and/or when sources of finance such as a loan may be needed to overcome the shortfall. **Funding requirements** – if looking for a loan, a cashflow will be required as it can reassure investors/banks that the company is well run and could manage the loan repayments. **To highlight times when there may be surpluses** (cash left over) so that the business can plan to invest this effectively. **Benchmark** – to have a benchmark against which future performance will be compared.	**15m** **10** (7+3) **5** (4+1)

QUESTION 7

	Possible Responses	Marks
(A)	**The HR Manager must prepare a job description and person specification for the advertised position.** **(i) List two items on a job description** (This document shows details of the position/vacancy to be filled) • The job title • Work details • Duties • Responsibilities and to whom to report • Conditions of employment • Place of work. **(ii) List two items on a person specification** (This describes the qualities that the successful candidate for the job should have) • Skills required • Academic qualifications • Previous work experience • Relevant personal characteristics.	**15m** **7** **3** **4** **1**
(B)	**Outline two benefits for the business of internal recruitment.** • **Cheaper:** Advertisement costs are lower as there is no need to pay for an eternal advertisement of recruitment agency. • **Recruitment is faster:** No need for shortlisting of a large number of applicants. • **Clear career pathway:** Employees know there is real prospects to develop their career and that the company value and reward talent. This will help reduce staff turnover and absenteeism. • **Quality of employees:** Employers knows the strengths, achievements, training needs of their employee. • **Training:** The employees are already known and are integrated into the organisation so there is no need for induction training which saves time. • **Motivates employees:** Boosts morale of staff increasing productivity knowing a promotion is possible. • **Reduced risk** of hiring the wrong person.	**15m** **10** (7+3) **5** (4+1)

<table>
<tr><td>(C)</td><td>Using the information provided, calculate the Gross Pay (including commission) if sales were achieved to the value of €10,000. Show your workings.
<table><tr><td>Basic wage</td><td></td><td>€645</td></tr><tr><td>Commission</td><td>10,000 x 8%</td><td>€800</td></tr><tr><td>Gross Pay</td><td></td><td>€1,445</td></tr></table></td><td>15m

4
2+2+3
4</td></tr>
<tr><td>(D)</td><td>Explain two advantages of branding for Coca-Cola.

Customer Loyalty: Customer loyalty is already established. Consumers will stick with a particular brand if satisfied, making it easier to introduce new products.
Recognition: Helps identify the drink, making it more recognisable.
Competitive Edge: Differentiates it from competitors' brands.
Marketing: Aids marketing and advertising / keeps the brand names of its products in consumers' minds.
Price: A well-known brand name often has the image of higher quality; therefore, the store can charge a higher price.
Easier: It is easier and cheaper to launch a new product of an established brand to the market, reducing the risk of failure.</td><td>15m

10
(7+3)

5
(4+1)</td></tr>
<tr><td>(E)</td><td>Coca-Cola use sponsorship as a method of Public Relations. Outline two other methods Coca Cola use.
Press Conferences/Press releases – the media are given information about the company's activities/products.
Celebrity endorsements/influencers – a celebrity is paid to be associated with the business. The product is seen to be used by celebrities and/or endorsed on social media.
Official opening/launch of a business or product – This would help create publicity.
Donations to charity – a business may partner with a charity or give a portion of profit to a chosen charity to enhance their reputation.
After Sales Service – good customer care after the sale of the product.
Social media – Using social media to make announcements and updates.
Other PR strategies include: Business brochures, Publicity literature.</td><td>15m

10
(7+3)

5
(4+1)</td></tr>
</table>

QUESTION 8

	Possible Responses	Marks
(A)	**Explain two benefits to Nike of carrying out market research before launching their new product.** • **Identifies Customer Needs** – Market research helps Nike understand exactly what customers want in terms of comfort, style, performance, and technology. This ensures the new product solves a real need rather than guessing. • **Reduces the Risk of Product Failure** – Launching a product without research is risky. Market research allows Nike to test ideas early, spot weaknesses, and avoid releasing a product that customers won't buy. • **Helps Set the Correct Price** – Research shows what customers are willing to pay and what competitors charge. This helps Nike choose a price that maximises sales while still protecting profit margins. • **Identifies the Target Market** – Nike can determine which segment the product suits best — athletes, casual wearers, teens, runners, or people with limited mobility. This allows for more focused marketing and product design. • **Helps Nike Understand Competitors** – Research reveals what rival brands (Adidas, Puma, Under Armour) are offering. Nike can then design features that differentiate their product and gain a competitive advantage. • **Supports Effective Marketing and Promotion** – Market research shows which advertising messages, influencers, or platforms (TikTok, Instagram, sports sponsorships) will reach the target audience. This increases the impact of Nike's marketing campaigns. • **Helps Forecast Demand** – Nike can estimate how many units to produce based on customer interest and market size. This prevents overproduction (waste) or underproduction (lost sales). • **Builds Customer Loyalty and Brand Strength** – When customers feel that Nike listens to their needs and preferences, they are more likely to trust the brand and buy again. Market research strengthens long-term customer relationships.	**15m** **10** (7+3) **5** (4+1)

(B)	**Explain two of the following stages of the new product development process for Nike.** **(i) Feasibility Study** **(ii) Prototype Development** **(iii) Test Marketing** **Feasibility Study:** This is carried out to assess if the product is viable and can be successfully developed and brought to the market. Is it financially viable – will there be a demand for it at the selling price after all costs are covered? Break-even analysis is done to check if the product can be profitable. **Prototype Development**: This stage involves developing a sample or model of a product. A working model or 'mock up' is produced to see what materials are required to make the product. It can be used to test the product to see if it conforms to certain standards and to determine what adjustments/improvements can be made before deciding to go into full scale production. **Test Marketing:** The product is tested on a sample of potential consumers before going into full production. Feedback from the test marketing can lead to improvements and will decide whether the product should be marketed as a full-scale commercial venture.	**15m** **10** (7+3) **5** (4+1)
(C)	**List three factors Nike should consider before setting the price of their new footwear.** • Cost of production / research and development • The target market • Competition / competitor's prices • Type of product • Economic conditions/demand • Break-even point • Brand image and reputation • Demand for the Product • Product Features and Technology • Marketing and Promotion Costs • Distribution Channels • Legal and Ethical Considerations	**15m** **10** **4** **1**

(D)	**Job, Batch and Mass are production methods Nike could use when making the motorised shoe.** **What method of production would you recommend? Give one reason for your answer.** **Batch Production:** This is the production of goods in groups or batches. A certain amount or limited quantity of identical goods is produced at the same time and then production switches to a different batch or group. The goods are produced using semi automation and skilled labour. Work is completed on each stage of the production before a new batch is started. Machinery can be adjusted to produce different products. Batch production reduces costs and has better economies of scale than job production. In the case of Nikes' motorised shoe, it would not be advisable for Nike to go into large scale production until they see what the demand for the product is. It is not a once off production tailored for an individual but a product that would be produced in limited quantity as it is just one type of the many products they offer. Therefore, I would recommend batch production.	**15m** **10** **5** (4+1)
(E)	**Outline two reasons why quality control is important when making this motorised shoe.** • **Detects problems:** Ensures Nike consumers receive a high-quality product which is safe to wear. • **Reduced Costs:** less defects and returns allowing Nike to reduce costs. • **Quality standards:** Promotes a quality image/strengthens brand name. Potential to obtain quality awards which could be used as a marketing tool. • **Increased sales:** sales increase due to the good reputation for quality product and positive word of mouth will boost sales. • **Customer Loyalty**: Increase customer satisfaction-high quality products keeps customers happy, ensuring demand can be translated into higher prices for Nike. • **To avoid legal action:** Should a fault be identified, it could have serious implications for Nikes reputation along with costs associated if a legal action is taking. • **Premium Pricing:** Nike can charge a higher price if the business becomes known for high quality products. • **Legal requirements:** Under consumer law, goods must be of merchantable quality.	**15m** **10** (7+3) **5** (4+1)

QUESTION 9

	Possible Responses	Marks
(A)	**Outline how festivals like the Tradfest and Sea Sessions benefit community development in Ireland.** • **Boost Local Employment** – Festivals create temporary and permanent jobs in areas such as security, staging, catering, transport, and event management. This gives local people extra income and work experience. • **Increase Spending in Local Businesses** – **Spin-off effects** – Visitors spend money on hotels, restaurants, cafés, pubs, taxis, and shops. This injects cash directly into the local economy and supports small businesses. • **Promote Tourism and Attract New Visitors** – Festivals draw tourists from across Ireland and abroad. Many visitors return later for holidays, boosting long-term tourism in the region. • **Strengthen Community Identity and Pride** – Events like Tradfest celebrate Irish culture, music, and heritage. This builds a strong sense of pride and belonging among local residents. • **Encourage Social Interaction and Community Spirit** – Festivals bring people together — families, neighbours, volunteers, and visitors. This strengthens social bonds and reduces isolation in rural and urban communities. • **Support Local Artists, Musicians, and Creatives** – Festivals provide a platform for performers to showcase their talent. This helps develop Ireland's cultural sector and supports creative careers. • **Improve Local Infrastructure** – To host large events, communities often upgrade facilities such as roads, signage, public spaces, and transport links. These improvements benefit residents long after the festival ends. • **Attract Investment and Media Attention** – High-profile festivals generate national and international media coverage. This raises the profile of the town or region and can attract future investment and sponsorship.	**15m** **10** (7+3) **5** (4+1)

(B)	**Outline two services that governemnt agencies such as the Local Enterprise Office could provide to these festivals.** Fáilte Ireland/Local Enterprise Office/ Arts Council/LEADER • **Mentoring and Advice:** They offer expert advice to help festivals with planning and decision-making. • **Networking opportunities:** Help them connect with local businesses for sponsorship or collaboration. • **Grants and Financial Assistance:** Offering financial assistance through grants or loans. • **Training**: Courses on areas like social media and marketing. • **Business plan support:** Outlining the financial, operational sales and marketing of such events.	**15m** **10** (7+3) **5** (4+1)

(C)	**Explain two reasons why a business may choose to expand.** • **To Increase Profits** – Expansion usually leads to higher sales and larger market share. More customers = more revenue = higher long-term profits. • **To Achieve Economies of Scale** – As a business grows, it can reduce its costs by buying materials in bulk, using machinery more efficiently, spreading fixed costs over more units This makes each product cheaper to produce. • **To Reduce Competition** – Expanding into new markets or increasing size can make it harder for competitors to challenge the business. Some firms expand to dominate their industry. • **To Enter New Markets** – Expansion allows a business to sell in new regions, new countries, new customer segments This spreads risk and increases sales opportunities. • **To Diversify Products** – A business may expand to offer new products or services. This reduces dependence on one product and protects the business if demand changes. • **To Improve Brand Recognition** – A larger business has a stronger brand presence. Expansion increases visibility, making customers more likely to choose the brand over competitors. • **To Attract Investment** – Investors prefer growing businesses. Expansion signals strength, ambition, and long-term potential, making it easier to raise finance. • **To Reduce Business Risk** – Operating in multiple markets or selling multiple products spreads risk. If one area performs poorly, others can keep the business stable. • **To Benefit from New Technology** – Expansion often involves upgrading equipment, systems, or processes. This improves efficiency, quality, and competitiveness	**15m** **10** (7+3) **5** (4+1)

(D)	**Draft two channels of distribution that Sports Direct could use to distribute their products.** Channel 1: **Manufacturer/Producer** → **Retailer** → **Consumer** e.g. Sports Direct Galway Channel 2: **Manufacturer/Producer** → **Consumer** e.g. online -sportsdirect.com	**15m** **4** (1+1 +1+1) **11** (4+4+3)
(E)	**Outline two sources of long-term finance that Sports Direct may have used to fund their expansion.** • **Retained Earnings (Reserves):** Past profits of Sports Direct, which have been held as reserves are reinvested into the business to fund future development. • **Long-term loan:** Money borrowed by a business from a bank or financial institution for a long period (5+ years) to finance major investments such as buildings, machinery, vehicles, or expansion. The business repays the loan in instalments, with **interest**, over the agreed term. • **Debenture**: A long-term source of finance where a business borrows money from investors and agrees to repay it with **fixed interest**. It is usually secured against company assets such as buildings or equipment. • **Equity Capital:** Selling shares to investors to raise capital. This would dilute control of Sports Direct, but no collateral would be needed and dividends paid would depend on profits made. It would also improve the gearing of Sport Direct. • **Capital Grant:** Sports Direct could apply for funding from IDA for a grant which does not have to be repaid but may come with conditions.	**15m** **10** (7+3) **5** (4+1)

Annotation	Use
✓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.