

# LC Business 2024 RTE Handout

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## **Section 1 – Page 3**

Exam Technique & Tips

## **Section 2 – Page 14**

Potential types of questions, questions and solutions

## **Section 3 – Page 77**

ABQ Tips and mock ABQs

# Section 1 – LC Business 2024 Paper Layout & Choice

## Section 1

Shorts (80 marks / 20%)

Answer 8 questions from a total of 12

## Section 2

ABQ (80 marks / 20%)

Compulsory – answer all 3 parts.

Based on Units 1,2 & 3 for 2024

## Section 3

Long Questions

(240 marks 60% / 20% per question)

Total marks = 400 marks (so a 20mark Q=5% of your grade)

Section 3 – 1 from part 1, 1 from part 2, any 2 other Qs

Section 3 Part 1				Section 3 Part 2			
Answer either 1 ->3 Q's from this part. Minimum of 1 Q.				Answer either 1 or 2 Q's from this part. Minimum of 1 Q.			
Unit 1	Unit 6	Unit 7	Unit 1	Unit 2/3	Unit 4/5	Unit 4/5	Unit 4/5
Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8

## LC Business Exam Timing

3 hours

Shorts: 20-25 mins

ABQ: 45 mins

Longs: 27 mins per Long Q (so a 20 mark Q = 9 mins)

Answer all questions and leave lots of space, then with leftover time come back to each one adding in keywords/examples/missing bits.



## Answering style for different LC Business questions

The main principle is: **KEYWORDS ARE KING!**

You get rewarded for giving the key words from the course, the textbook knowledge for each term – you don't get rewarded for quantity or length of answer, so know the keywords and deliver them according to the question and move on – points given can be very short and get full marks once you do this.

Lets have a look at 2 different answers in different years, one where I didn't get full marks when writing lots of good stuff, and one where I got full marks when writing way less information.

2018 Q7 (B) (ii) Illustrate **two** different ways the **chocolate** market could be segmented.

<u>Gender</u>	2
Chocolate manufacturers can make products to target more females (eg. Maltesers "the lighter way to enjoy chocolate" have 187 calories so are aimed more at women who consume less calories than men on average.	
Yochies recently had a "not for girls" advertising campaign to try to show it was a bar aimed at men, splitting their market up.	1

<u>Age</u>	(2)
Younger kids may have less money or want to eat less or parents want them to have smaller treats.	
Adults usually have more to spend so can afford higher prices and also eat more calories than kids so can have bigger bars	
Eg. Cadbury's make Freddo's for kids charging 40 cent for a small bar	
They make Dairy Milk for adults charging €1 for a bigger bar.	(+1)

2021 Q8 (C) (ii) Illustrate **two** different ways a market can be segmented.

(i)	Demographic	2
	Splitting a market up based on age, gender...	
	Eg. Freddos aimed at kids in chocolate market	3

You can see in 2018, while I gave two developed points on two types of demographic segmentation, I didn't actually give the word 'Demographic' so therefore didn't score full marks.

Keywords are king.

The other main thing to focus on and will be to answer the question asked, and nothing else – students often see words given in questions and then try to write as much as they know on that word to show off to the examiner – this will be worth zero (there are no effort marks), the marking scheme is very strict and no additional marks will be given for any information given that don't answer the question. Spending time to figure out clearly what the question is looking for is important. Below is an example of where I gave information that wasn't answering the question, and despite it being good information, it scored zero marks.

2018 Q7 (B) (i) Discuss the benefits for a large chocolate manufacturer of engaging in **market segmentation**.

(B)(i)  
Market Segmentation involves dividing a potential market into separate parts based on demographics (Age, gender, income) or geographics (location, access to market).  
Therefore a chocolate manufacturer can focus advertising on the largest market segments to be more cost effective with campaigns. They can adjust marketing options based on the segments habits.  
Cadburys now use lots of advertising on Youtube as a large segment of their market watch videos online.

**S.E.R. is a method that can be used to answer most questions**

**S - State:** Give a heading for every point that is a term required e.g. 'Controlling' or a statement 'Improves Staff Morale'

**E - Explain:** Each point must be explained, using keywords from the LC text and also showing understanding of the concepts dealt with in the course. This should develop on your initial heading/statement.

**R - Relate:** Link the question back to whatever the question has asked you. E.g. "impact on the Irish economy".

- (C) Describe **two** distinct situations requiring **short-term** finance for a start-up business **and** explain the most appropriate source of short-term finance in **each** situation.

(20)

<u>Paying employee wages</u>	4	4
A start up business may not have enough revenue yet so should arrange a <u>bank overdraft</u> in their current account so they can <u>spend more money than</u> they currently have to pay their staff.	3	3

## Illustrate

Give an example in your answer. You should still give a statement/heading and then develop it, then give a relevant example, explaining why it is relevant.

One word examples aren't enough e.g. Coke, they must be expanded on e.g. Coke when they launched Cherry Cola. You should always try to give real life examples that you know, for Niche markets, you wouldn't get marks for a fake/made up example.

Explain the term **niche market** and provide an example to support your answer.

A smaller segment of a larger market, with more specific wants.  
The market for footwear is huge but a smaller more defined market segment would be for wedding shoes as it would only be for consumers getting married, not for the whole market.  
Example: wedding shoes is a niche market in the overall footwear market.

An example doesn't always have to be a real life example depending on the question asked, but it must show understanding of the concept to the examiner.

E.g. if you were asked to illustrate Stages in New Product Development, it doesn't need to be an actual product, but your examples must show you understand each stage with whatever product you choose to use.



## Discuss

You should present your answer more like you were chatting about the answer, so headings should not be used and won't score marks here. Just include whatever heading you were going to use in your first sentence, then develop it from there.

### Question 2

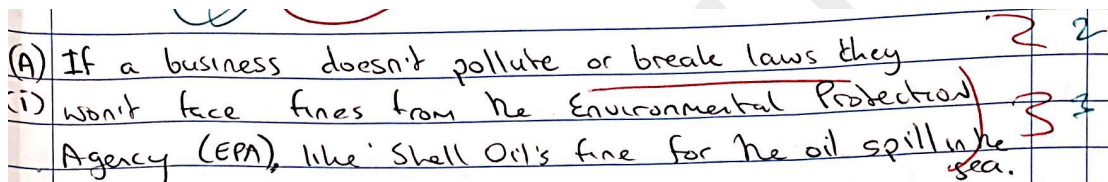
(A) Read the information supplied and answer the questions which follow.

#### *The Dough Bros Pizzeria*

The Dough Brothers serve authentic wood-fired pizza at markets, events and private parties. The brothers recently switched from single-use plastic to biodegradable cutlery and napkins.

*Adapted from The Irish Times July 2018*

(i) Discuss the importance for a business of being environmentally responsible.



(A) If a business doesn't pollute or break laws they won't face fines from the Environmental Protection Agency (EPA), like Shell Oil's fine for the oil spill in the sea.

## Evaluate

State a preference or opinion and then support it. This should be done after stating and explaining in your answer already.

The Chief Examiner has noted evaluations need to be a genuine attempt to actually give an opinion, not just text book knowledge. They need to be a development of the information given already, so it needs to be new information, not just a repetition of a point given above.

(C) Evaluate the Small Claims Procedure for resolving conflict.

(15)

(C) A consumer who has an unresolved complaint with a retailer can request a hearing where both sides can present and explain their side of the situation and a judge will rule on it.	
It costs <u>€25</u> and compensation of up to <u>€2,000</u> can be awarded.	3
Consumers should bring receipt/proof of purchase with them	1
Evaluation In my opinion it's great as it allows consumers to take action without huge legal fees for a solicitor which would otherwise limit them from making a complaint.	3

## Analyse

State what is good and bad about the term or look for any patterns or noticeable differences in the information given to you.

## Contrast/Distinguish Between

For this, you should individually explain or define each term, which will show a contrast between them from their definitions, choosing to highlight differences rather than similarities.

## Mini-ABQs / Introduction Stories


You are presented with a short piece about a business and then asked questions about it.

If the business is then mentioned in the actual question, there will be marks awarded for linking the business in each point.

If the business isn't mentioned in the actual question, you do not need to refer to it in your answer. You can choose to if you think it will help you develop your answer.

### Question 7

Read the information supplied and answer the questions which follow.



**Intezz - Sugar Free Soft Drink**

Beveraton PLC is a global manufacturer of soft drinks. It developed **Intezz**, a new sugar free soft drink which will be launched in the market in September 2019.

- (A) (i) Explain the factors that should be considered before deciding on the price to charge consumers for a product.
- (ii) Outline the pricing strategy best suited to the **introductory stage** of **Intezz** and **explain** the reason for your choice. (25)

(A)	What image you want your product to have.	3	3
	Rolex use a high premium price to reflect that it's a very high quality/luxurious watch.	3	3

In (i) above there is no need to reference Intezz as it wasn't in the question unlike (ii) below where they mention Intezz

(ii)	Intezz could use <u>penetration pricing</u> , charging a lower price to competitors to help build a market share in a competitive market with Monster, Lucozade, Red Bull already offering similar products, would be useful starting out as consumers won't have loyalty to you some cheaper prices will encourage them to try Intezz.	3	3
		2	2
		2	2



## Good heading / bad heading

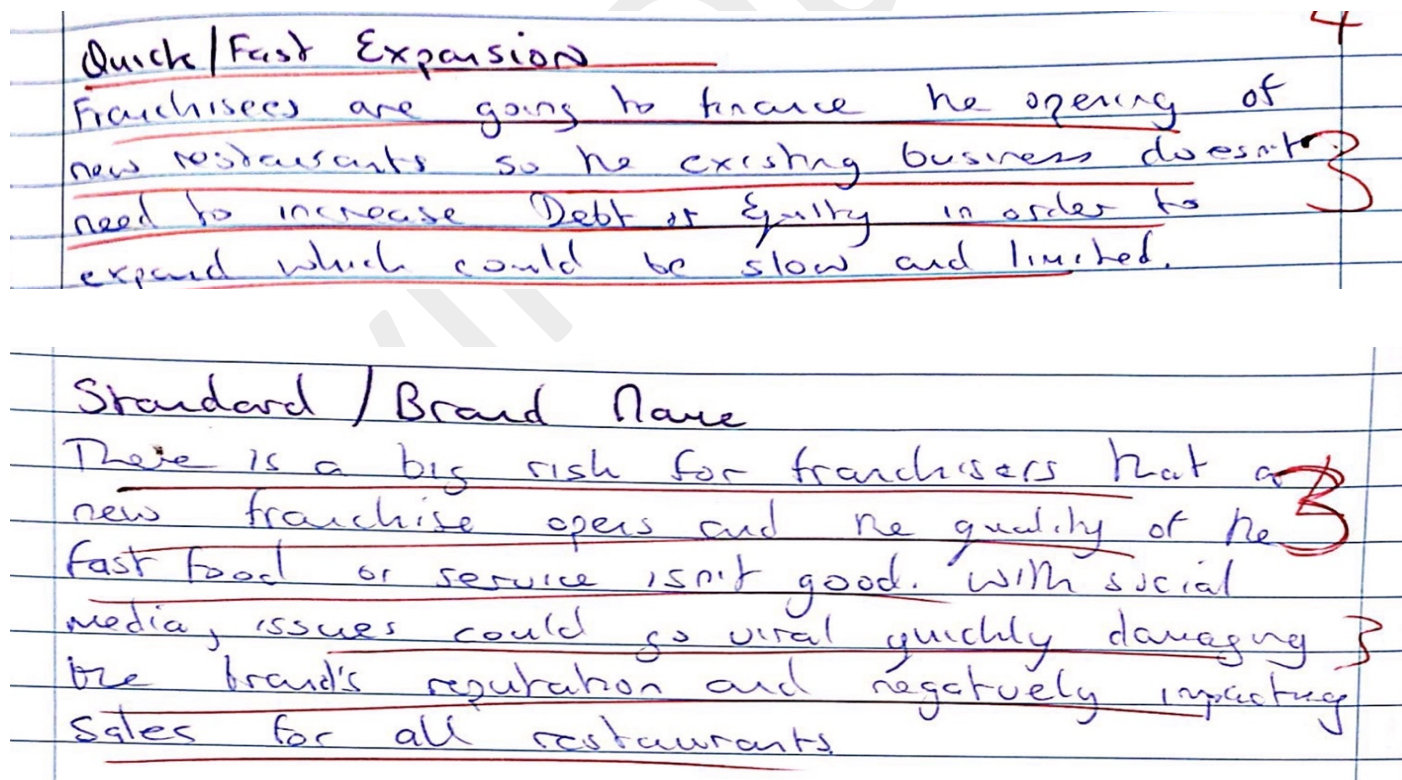
The biggest issue with students not scoring marks for their headings is that they use titles, and not statements.

Your heading or initial point should state something unless it is naming something the question has asked (e.g. explain Management Skills, then naming Leading is fine for marks).

## 2018 Q5 (A)

Outline the advantages and disadvantages for a business in the fast food sector of choosing franchising as a method of business expansion. (20 marks)

MS: 2@7(4+3) 1@6(3+3) At least one of each required.



For this type of question it really helps to use words like 'increased / decreased' or 'higher / lower' or 'improved' etc...

## Unit 1 - Competitive/Cooperative relationships Relationships

### 2019 Short

9. Illustrate your understanding of a **co-operative** relationship between an entrepreneur and an investor.

9. Illustrate your understanding of a **co-operative** relationship between an entrepreneur and an investor.

This is a win-win relationship where both parties benefit mutually.

An investor may agree to increase the amount of capital invested in the business for an entrepreneur's new idea, so if it's successful they will both enjoy higher profits from it.

10.

Use the keywords 'win-lose' or 'win-win' and then clearly show and state a situation where one party wins and at the same time the other party wins (co-operative) or loses (competitive).

### 2021 Marking Scheme - note

Types of relationships came up in the 2021 marking scheme again and now the terms '**mutual benefit**' and '**mutually exclusive**' have to be in there as well as win-win and win-lose for them - so good point to note, always refer to the schemes regularly and always note the **bolded words** in them!

## Unit 1 - SOGSOS Act - 2019 ABQ (C)

As the number of bookings continues to rise Emma is under increasing pressure to meet the couples' requirements and to operate within the budgets agreed. For a recent wedding Emma realised that she had underestimated the scope of the work and left herself extremely short on time. As a result the menus were rushed, and the incorrect date was printed on them. In addition, the couple complained that the flowers used to decorate the venue were not fresh. The wedding souvenirs for the guests were not available on the day. It turned out that Emma had employed a local college student with an interest in photography, rather than a professional photographer to take the photographs. The couple were very disappointed with their wedding album. They posted an unfavourable online review of Oatfield Lodge.

- (C) Do you think Oatfield Lodge, **as a service provider**, has complied with the terms of the Sale of Goods and Supply of Services Act 1980?  
Explain your answer, using your knowledge of the Act **and** referring to the text of the ABQ.

(30)

She must provide a service <sup>using</sup> <del>by</del> someone with the necessary skills/qualifications for it.	3	3
A flight on a plane should be provided by a qualified pilot.		3
"Emma had employed a local college student with an interest in photography, rather than a professional photographer to take the photographs"	+3	3
A service should be carried out with appropriate care and diligence.	3	3
A barber should be careful not to harm someone with their scissors when giving a haircut.		3
"The menus were rushed, and the incorrect date was printed on them"	+3	3
Any tools used or goods provided with the service should be of merchantable quality.	3	3
A barber shouldn't try to cut your hair using a rusty scissors.		3
"The couple complained that the flowers used to decorate the venue were not fresh"	+3	3

## Unit 1 - Contract Law

### 2019 Q1 (A)

Q1 (A) Explain each of the following terms in relation to the law of contract, providing an example in each case.

Capacity to Contract - Consideration - Legality of Form - Consent to Contract  
MS: 4@5 (3+2); 3m for the keywords and 2m for the example

Consent to Contract  
Parties must give free/real agreement of their own free will. 3  
eg. A contract would be void if someone was forced to sign 2  
under gun point.

Capacity to contract

\_\_\_\_\_

\_\_\_\_\_

E.g. \_\_\_\_\_

\_\_\_\_\_

Consideration

\_\_\_\_\_

\_\_\_\_\_

E.g. \_\_\_\_\_

\_\_\_\_\_

Legality of form

\_\_\_\_\_

\_\_\_\_\_

E.g. \_\_\_\_\_

\_\_\_\_\_

Consent to contract

\_\_\_\_\_

\_\_\_\_\_

E.g. \_\_\_\_\_

\_\_\_\_\_

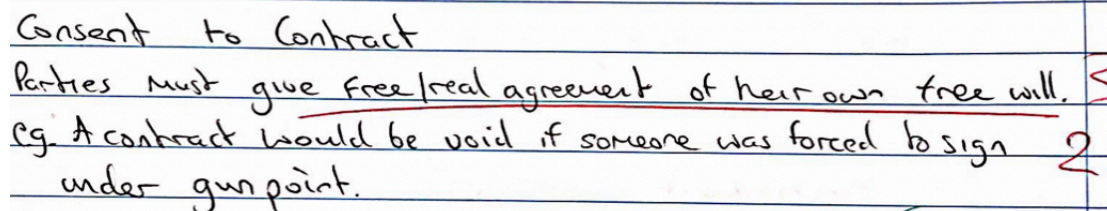


## 2019 Q1 (A)

**Q1 (A)** Explain each of the following terms in relation to the law of contract, providing an example in each case.

**Capacity to Contract - Consideration - Legality of Form - Consent to Contract**  
MS: 4@5 (3+2); 3m for the keywords and 2m for the example

*Let's look at what a real answer looks like in a script:*



Consent to Contract  
Parties must give free/real agreement of their own free will.  
eg. A contract would be void if someone was forced to sign under gun point.

### Capacity to Contract

The **legal ability or power** to enter in to a legal contract.

E.g. adults have capacity but a **child that is under 18 doesn't have the legal power** to enter in to a contract to buy a house for example

### Consideration

Consideration is the **items of value that must be exchanged between parties** for a contract to be considered valid.

E.g. **Giving €3 to a café and getting a coffee back** – both the money and drink are consideration as they are of value. A charity donation isn't a contract as an item of value isn't given back to the person donating.

### Legality of Form

Certain contracts must take on a **particular format, like be in writing**, to be legal.

E.g. When **buying a house**, an oral agreement isn't sufficient to be valid, it must be in writing.

### Consent to Contract

All parties in a contract must **give their real permission and not be threatened or forced to agree** to enter a contract.

E.g. If a person is **forced to sign a contract at gunpoint** it can be ruled invalid by a court if proven

## Unit 1 - Unfair dismissals / dismissal procedure

### 2018 Q1 (C)

Under the terms of the Unfair Dismissals Acts 1977 to 2007, explain the grounds for dismissal that are deemed to be **fair** (20 marks)

MS: 2@7(4+3) 1@6(3+3)

Q1  
(C) Redundancies 4

If an employer can prove that a current employee's job/position is no longer needed (obsolete or due to financial issues) they are legally allowed to dismiss the worker. 3

Other companies offer voluntary redundancies when they try to reduce staffing numbers, and it comes with compensation (min 2 weeks pay per year employed)

Gross Misconduct 4

If an employee does something exceptionally bad eg. hit their boss, took drugs at work, they could be fairly dismissed. 3

Showing up late wouldn't be enough, but lots of small misconduct accumulated could lead to dismissal

Qualifications 3

If an employer found out an employee lied about their qualifications they can be dismissed. 3

If a qualification runs out or expires then the employee should be given adequate time to ~~renew~~ 3

## Outline vs Discuss – Layout

### 2019 Q1 (B)

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

Nurses belonging to the Irish Nurses and Midwives Organisation (INMO) are to begin industrial action on 30 January in an escalation of their pay dispute. www.rte.ie

- (i) Outline **three** reasons, **other than pay**, for an industrial dispute.  
 (ii) Discuss the procedures which must be followed before official industrial action can take place. (25)

(i) Change to Working Conditions	(2)
ASTI went on strike after changes to Junior Cycle without adequate training/remuneration for changes.	
Discrimination of an employee	2
If a business treats a worker less favourably or harasses them, employees may vote to go on strike.	3
Unfair Dismissal	2
If an employee is unfairly dismissed (employer didn't follow procedures).	3
Demarcation Issues	2
Staff may strike over workers carrying out parts of other workers contracts under instruction of the management.	3

The first development was a good example, but shows key course content and developing every statement given with course content is needed and you can't just rely on current affairs.

(ii) <u>Secret Ballot</u> should take place where	4	4
A vote takes place where union members anonymously vote to strike or not.		
<u>The union/staff must then give their employer 7 days notice of the strike.</u>	3	3
This will allow them an opportunity to resolve the industrial relations conflict before action commences	22	22



## 2020 Short Q8

### Verb: Distinguish Between

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

MS: 2 x 5m (3m + 2m)

**Fair Dismissal** – It is legal under the Unfair Dismissals Act 1977/2015 to dismiss an employee on one of the following grounds: **misconduct, redundancy, incompetence**, or the employee is deemed **incapable** of performing his/her duties.

**Constructive Dismissal** – this occurs when an employee's position is made so difficult that he/she feels they have no option but to resign. The burden of proof falls to the employee to show that their resignation was justified from mistreatment and can result in the same entitlements as an unfairly dismissed employee.

Just explain each term separately, trying to focus on what's different between them rather than the same.



**2012 Q1 (A)**

Outline the procedures an employer should follow under the Unfair Dismissals Acts of 1977/2007, before dismissing an employee. (20 marks). **MS: 7 +7+ 6 marks (4+3), (4+3) and (3+3) (it could be 4 points if asked again).**

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### Counselling/Advice

Counselling (i.e. advice on how to improve) is given by **supervisor** and recorded on the employee's personal record. The employer outlines what employee needs to do to **rectify** the situation. The employee is made aware of the **consequences of not improving** in their future performance.

### Formal Verbal Warning

The employer has to inform the employee of the **reasons for the possible dismissal**. The evidence for the dismissal must be made known to the employee. This is given in the presence of the employee's representative, e.g. a shop steward.

The employee is given the opportunity to **respond fully** to any such allegations or complaints. The warning is recorded on the employee's **personal record**.

### First Written Warning

If there is **no change** to the situation, a formal written warning follows the verbal warning. This may be followed by a **final written warning, suspension without pay, demotion**, some other appropriate disciplinary action short of dismissal and, finally, dismissal.

### Employee's Right of Appeal

The employee has the right to a **fair and impartial determination** of the issues concerned, taking into account any representations made by, or on behalf of, the employee and any other relevant or appropriate evidence, factors or circumstances.



## 2015 Q1 (C)

*The Director of the Equality Tribunal (previously known as the Director of Equality Investigations) published 22 decisions during September 2013 in areas of discrimination that included gender and disability.*

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

(ii) List three grounds other than gender and disability on which discrimination is outlawed under this Act.

(iii) Evaluate the role of the *Director of the Equality Tribunal* in dealing with discrimination under this Act. (30 marks)

**MS: (i) Definition of Discrimination: 10m (7+3). (ii) List three grounds on which discrimination is outlawed: 9m (3 @ 3m). (iii) The role of the Director: 9m (3 @ 3m) + 2m evaluation.**

(i) An employee is said to be discriminated against if he or she is treated in a **less favourable way** than another employee is, has been, or would be treated (in a comparable situation) on any of the nine distinct grounds.

(ii) Civil (marital) status · Family status · Sexual orientation · Religion · Age · Race · Membership of the Traveller community

(iii) The Director **decides** whether discrimination cases should be examined by the **Equality Mediation Officers**, who deal with the case in a conciliatory manner, or by an **Equality Officer**, who follows a more **formal** approach.

The Director makes the **final decision** and it can be appealed to the Labour Court **within 42 days**.

The Director **refers** the complaint to an **Equality Mediator**, who facilitates both parties to reach a mutually acceptable agreement.

## Chapter 4 Enterprise

### 2019 ABQ (A)

Emma Daly worked as an operations manager in the catering section of a major airline for many years. In 2010 she married John, an architect, and settled into his family's farm in North County Dublin. Emma became frustrated with the limitations of working for other people. In 2015 she resigned from her job to go into business with her husband. A change in the law allowed for private venues to be used for marriage ceremonies. Inspired by her own wedding, Emma realised there was potential to start a business providing an alternative wedding venue. She and her husband converted an old barn into a marriage and wedding reception venue, and some stables were converted into apartments for guests. In 2017 they opened Oatfield Lodge as a unique wedding venue. The client list began to grow and Oatfield Lodge received very favourable on-line reviews from clients and bloggers on wedding websites. In 2018 the business reported a profit of €100,000.



- (A) (i) Explain the term entrepreneur.  
(ii) Outline the benefits for Emma Daly of becoming an entrepreneur.

(20)

For the ABQ, in one of the questions they may say explain or define a particular term and not ask you to refer to the ABQ test. This is the only time that you don't need to give a direct relevant quote for the ABQ.

- (i) (A)(i) The person who takes the personal and financial risk of setting up a business by spotting a gap in the market, being creative, and starting a business in order to make a profit.

- (ii) To be your own boss  
Being an entrepreneur means you have control and power in decision making and Emma wouldn't have to just do what she was told by a manager.  
"Emma became frustrated with the limitations of working for other people"  
Earn profits  
Emma would be able to keep all the profits of the business with her husband and not just get paid a wage or salary, profits grow fast if the business is successful.  
"In 2018 the business reported a profit of €100,000"

## 2024 Watchlist!

### Q1 How to promote intrapreneurship in a business

Creating a Culture of Enterprise: Having a business that allows mistakes and encourages employees to take some risks in decision-making.

Reward Staff: Incentivize employee creativity/innovation with bonuses/incentives/pay increases.

Use Teamwork: Quality Circles and Brainstorming sessions as well as working in inter-departmental teams will encourage new ideas and creativity in staff.

### Q2 Illustrate examples of intrapreneurship in a business

An employee developing new work methods or system that saves time/

E.g. A worker in a deli coming up with a quicker way to chop chicken.

An employee coming up with a new production process

E.g. A tailor coming up with a cheaper way to make suits, reducing costs

An employee coming up with a new product

E.g. An engineer in Apple developing a product like the Apple Watch.



## Chapter 5/6 Management Skills (Leading & Motivating) Leading 2019 Q4 (C)

- (C) (i) Describe **two** leadership styles.  
(ii) Outline the factors that influence the leadership style adopted by business managers.  
Provide examples to support your answer. (20)

(C) (i) <u>Autocratic</u> ✓	2	2
Where the leader is authoritarian.		
They give orders and expect them to be carried out.	2	2
They don't delegate		
They don't consult employees in decision making		
Uses threats/bribes to motivate staff	1	1
<u>Democratic</u> ✓	2	2
Consult staff over decisions	2	2
Delegate work/responsibility to staff	1	1
Take on board staff opinion/open to feedback.		
Uses empowerment as thinks staff want responsibility/care		
(ii) <del>Staff</del> <u>Commitment of Staff</u>	2	2
Part-time workers in a local take away may not care about the future of the business, so a manager could be more autocratic as they may only be interested in getting money/incentives to motivate them.	2	2
<u>Skill Level/Type of Work</u>	2	2
A manager in eBay may be laissez faire for the R+D (Research + Development) team so the engineers have freedom to approach an objective how they see fit.	2	2
If they are very skilled a manager shouldn't need to supervise them regularly		
Engineers in eBay want to do well so don't need a manager to motivate them.	1	1

## Motivating 2019 Q4 (B)

(B) Read the information supplied and answer the question which follows.

Hexagon Solutions is a global software design company operating in Dublin.



It offers competitive salaries and long-term contracts of employment to all employees. A team structure exists in the business where employees from all over the world work together on innovative projects. Staff ideas are accepted, and innovation is rewarded. Hexagon supports employees who take on further studies.

Outline the different stages in Maslow's hierarchy of needs theory **and** illustrate how Hexagon Solutions applies this theory to motivate its employees.

		(20)	
(B)	Physiological (Physical) Needs	1	1
	<u>Need for food, shelter</u>	2	2
	Hexagon offer <u>competitive salaries</u> so they can buy these	1	1
	Safety/Security Needs	1	1
	<u>Need to feel secure/not in danger</u>	2	2
	Hexagon offer <u>long term contracts</u> so employees feel secure in their employment for the future	1	1
	Social Needs	1	1
	<u>Need for affection/belonging/love with other humans.</u>	2	2
	Hexagon uses <u>team structures</u> so no one is isolated	1	1
	Esteem Needs	1	1
	<u>Need for recognition/praise</u>	2	2
	Hexagon <u>accept staff ideas and reward innovation</u>	1	1
	Self Actualisation	1	1
	<u>Need for challenging work/ to self fulfill potential</u>	2	2
	Hexagon supports staff to <u>develop to the best of their abilities in further studies.</u>	1	1



## Chapter 7 Management Skills (Communicating)

### 2019 Q4 (A)

- (A) A Chief Financial Officer (CFO) in a business needs exceptional communication skills and needs to adapt his/her communication style and message to different stakeholders.
- (i) Discuss the importance for a business of effective communication.
  - (ii) Illustrate **two** barriers that a manager has to overcome to communicate effectively with staff, providing a different example in **each** case. (20)

(ii) Jargon confusing staff	2	2
A manager may know more technical information than staff need to know so they should adjust the language they use to match the recipient's knowledge. if communicating about eg. computer software.	2	2

A good example of a bad example! "E.g. computer software" doesn't mean much by itself – it needs to be developed to show how it could be overcome

## Chapter 8 – Planning Organising & Controlling

### Evaluating in the ABQ

#### 2019 ABQ (B)

Emma's long-term goal is to become the number one alternative wedding venue in Ireland, where people can get married, have a reception and stay after the event. Emma is the events manager in the business. She meets with all couples a year in advance of their marriage and discusses different options with them. From this initial meeting Emma decides the timeline for achieving a unique and personal experience. She must operate within the couples' agreed budgets. Emma must also ensure that a top quality service is provided. Oatfield Lodge was recently crowned *Top Wedding Venue* in Leinster. The business has six full-time staff, and it hires part-time staff as needed, based on the size of the event. For the wedding reception, part time staff are divided into teams and briefed on their roles. A separate supervisor oversees the work of the catering, bar, and housekeeping teams.

- (B) Evaluate the **management activities** involved in the operation of Oatfield Lodge Wedding Venue.

(30)

You really don't need to write a lot to get full marks – just get some keywords in for each heading, they don't need to refer to the text when explaining, once the content given matches the direct relevant quote that you use for that part of the answer.

(B) Planning 3

Oatfield need to set objectives with strategies to achieve them.

Their plans could be long term (Strategic) ~~and~~ and shorter term (Operational and Tactical).

They could also use a SWOT (Strengths, Weaknesses, Opportunities Threats) analysis when planning.

"She meets with all couples a year in advance of their marriage and discusses different options with them." +3

EVALUATION

In my opinion, this is great as it gives them a future focus and allows them to set targets to achieve in a timeline that they can use to assess if they are achieving them as they go. evl

## 2018 Q2 Short

2. Outline **two** implications for a business of changing from a functional to a matrix organisation structure.

- (i) Unclear chain of command: Employees will now have a line boss and project boss so might not know what to prioritise
- (ii) Team Based: Teams will have to form and storm which could cause conflict and slow down decisions/production

Know the Matrix structure well for 2022, it may appear as above or asking for benefits and challenges of it

### Benefits of a Matrix (Team) Organisational Structure:

#### Great Unity Across the Business

It is a team based structure with expertise drawn from different departments e.g. marketing, finance, information technology, production.

This greater interaction across departments will lead to greater understanding of individual departments.

#### Better Decision Making

All team members have an input into decision making and problem solving which allows for greater output and productivity (synergy). New ideas will evolve and better decisions will be made.

#### Focus on Projects (Tactical Plans)

A matrix structure is generally set up in business to carry out specific projects such as product development within an R&D context.

### Challenges of a Matrix (Team) Organisational Structure:

#### Unclear Chain of Command

Each employee can have two managers, the project manager and the functional manager which could lead to confusion and conflict.

Employees may not be able to prioritise their work effectively, or spread their workload evenly, causing disharmony as staff would have both their own tasks and their project tasks to juggle.

### **Slower Decision Making**

Decision making may be slow because getting the agreement of the team during consultation stage may take some time.

This matrix organisational structure may not be appropriate in a crisis or emergency situation where tough decisions may have to be made quickly

## 2024 Watchlist

Outline the implications for a business of changing from a functional to a matrix organisation structure

**MS: 20 marks (4+3, 4+3, 3+3)**

### **Training/Staff Development required**

Training costs involved for manager and staff which takes time to complete/ Productivity may decline in the short term/ Staff development may result as employees have greater knowledge and learn how the whole business operates/ Multi-skilled staff.

### **Duplication of duties**

Duplication may exist across several teams. Several teams may have a marketing manager, production manager. It is essential that each of these managers communicate to avoid conflicting approaches to projects.

### **Greater complexity in the chain of command**

Staff will have **2 managers** to report to (generally department manager and project manager). This can lead to divided loyalties and there could be a conflict of interest between both.

### **Staff conflict/power struggles**

Staff may resist working outside of their own departments. /Staff may dislike working outside their comfort zones /Staff may view new ideas of others from other departments as a threat and there may be internal conflict/may be difficult for the project manager to manage staff from different departments.

### ***Other: Increased intrapreneurship/ Greater innovation***

***Encourages a democratic leadership style***

***Better staff relations***

***Greater staff flexibility more openness to change in work practices.***



## 2024 Watchlist ABQ – Similar to 2011 Q4 (C) focusing on a few controls.

### Financial Control

The aim of financial control is to ensure overall business profitability and liquidity (ability to pay bills due).

Financial control involves preparing Cash Flow budgets, ratio analysis, and employing cost control measures (e.g. utilities, wages etc).

These can provide an early warning of possible financial problems.

### Stock Control

Is concerned with keeping optimum stock levels so that it doesn't have too much stock or too little stock.

Optimum stock levels lead to efficiencies because you have the right stock, in the right place, at the right time to meet production requirements and satisfy consumer demand.

A business can achieve efficiencies with better stock control by avoiding:

Obsolescence of products (products going out of date/fashion) Excess

Storage costs (Security, Warehouse space, insurance etc.) Pilferage of stock (regular stock takes)

Tied up capital in stock (money could be better spent elsewhere)

### Quality Control

Is concerned with inspecting work done to ensure it meets the required standards.

As part of a quality control system the business may achieve a quality control symbol such as an ISO 9000 award.

With a good control system, consistently high quality products are being sold, resulting in repeat purchasing and consumer loyalty.

A business can achieve efficiencies with better quality control by:

It minimises the costs and time associated with selling faulty goods to consumers/dealing with returns

Loss of reputation and the ensuing lost sales in to the future.

### Credit Control

Credit Control means controlling the amount of credit given to customers and the payment period given to customers.

Good credit control ensures that payments are made in full and on time.

It involves checking credit worthiness of customers, setting credit limit, credit periods and deciding on penalties for late payments.

It seeks to minimise bad debts.

## Unit 4 Cash Flow Forecast

### 2015 Q6 (C)

- (i) Explain the reasons Amrod Ltd would prepare a cash flow forecast.  
(ii) Calculate the figures represented by the letters A, B and C on the cash flow forecast. (Show your workings in your answer book.)  
(iii) Explain how Amrod Ltd might deal with the financial problem identified in this cash flow forecast. (25 marks)

**MS: 2 @ 5m (2+3); 3 figures @ 2+3(2+1)+2m; 8m (4(2+2)+4(2+2))**

#### Cash Flow Forecast for Amrod Ltd for the 4<sup>th</sup> Quarter of 2015

	October €	November €	December €	Total €
Total Receipts	70,000	180,000	90,000	340,000
Total Payments	100,000	165,000	120,000	385,000
Net Cash	-30,000	15,000	B	-45,000
Opening Cash	20,000	A	5,000	C
Closing Cash	-10,000	5,000	-25,000	-25,000

(i) \_\_\_\_\_

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(ii) A=

B=

C=

(iii)

**Financial Problem:** \_\_\_\_\_

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**Solution:** \_\_\_\_\_

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## 2015 Q6 (C)

- (i) Explain the reasons Amrod Ltd would prepare a cash flow forecast.  
(ii) Calculate the figures represented by the letters A, B and C on the cash flow forecast. (**Show your workings in your answer book.**)  
(iii) Explain how Amrod Ltd might deal with the financial problem identified in this cash flow forecast. (25 marks)

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Opening Cash	20,000	A	5,000	C
Closing Cash	-10,000	5,000	-25,000	-25,000

### Improves Financial Control

A cash flow forecast acts as a financial control mechanism that can be used to **measure actual cash flow against planned cash flow** encouraging Amrod Ltd to plan its finances **sensibly** and **live within its means** and not to **overtrade** (e.g. buy/sell too much on credit)

It helps avoid cash flow problems as costs are considered in advance, so they can ensure it has sufficient funds when the time comes.

### Helps Avoid Deficits

It will help Amrod Ltd identify periods of time in the future when the business will have an **excess of expenditure over income** i.e. a **deficit**.

They can then take **corrective action**, **assessing the best methods** to deal with the cash shortfall.

### Helps Highlight Times of Surplus

It will help Amrod Ltd identify periods of time in the future when the business will have a **surplus of income over expenditure**.

Amrod Ltd can then make **plans** to place these surplus funds on **deposit** with a **financial institution** or make **expansion decisions** e.g. plan investments.

### Help Access Finance

It will help Amrod Ltd **gain access to finance** from financial institutions as the cash flow forecast is an **integral part of the business plan** given to banks and other potential investors.



A professional cash flow forecast supports **applications** for loans and **grants**.

*\*Only 2 were needed but four given for illustrative purposes.\**

(ii)  $A = (€10,000) = 2m$

$B = (€30,000) = 2m$   $(90,000 - 120,000) = 1m$

$C = €20,000 = 2m$

(iii) **Financial Problem:**

The deficits months are October and December.

**Avail of a short-term source of finance:**

Amrod Ltd could arrange a **bank overdraft facility** with its bank to finance problem months where the business is running a **deficit**. They can then access more money than is in their account, but the **rate of interest is usually high**. Other short term sources could be considered such as **trade credit (delaying payment to creditors/ seeking an extension period of credit from creditors)**.

**Adjust receipts**

Amrod Ltd could try to **increase receipts (revenue)**.

They could try to create a **better promotion campaign**, try lowering prices and selling more, or try to increase cash sales or reduce credit periods for debtors.

**Adjust payments**

The business could **decrease its cash payments** by **sourcing cheaper suppliers**, **restructuring loan repayments** or asking employees to take a wage decrease. By moving €10,000 of payments from October to November, the company would break even at the end of October etc.

## Unit 4 Strategies to manage new IT/ICT

### 2016 Q5 (B)

Analyse the impact of new technology on business costs and on business opportunities. Provide **examples** to support your answer. (20m)

**MS: 4 x 5m (3+2); 2 of each required, with examples**

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### 2016 Q5 (B)

Analyse the impact of new technology on business costs and on business opportunities. Provide **examples** to support your answer. (20m)

**MS: 4 x 5m (3+2); 2 of each required, with examples**

### **Impact on staff**

New technology could reduce costs a business face as they may be able to make **staff redundant** if there is technology to do their job e.g. **Tesco self-scan aisles**. There may also be **higher training costs** to **up-skill staff** to be proficient with the new technology. E.g. new **computer software** being introduced.

### **Impact on communications**

The opportunity to get **quicker decisions** due to the availability of large amounts of data already collected on **websites** or stored in their **databases** or **spreadsheets**, or quickly collecting data using **Google Forms** to create surveys and get **instant feedback** from staff or customers, can improve decisions.

### **Impact on marketing**

Using **on-line advertising** like **Google Ads** and on-line sales through **E-commerce** on their **own website** by promoting it on **social media** like **Facebook**, businesses have the opportunity to **increase the reach** they have over **potential customers**.

### **Impact on security**

Using a **virus software** like **MacAfee** can **reduce systems breakdowns** and **prevent security breaches**, reducing **potential costs**.

***Other: Impact on finance/capital investment; Impact on Production (economies of scale)***

## Other: Managing Change

### Strategies to manage change / help staff adapt to change:

- Communicate with Employees
- Rewarding Employees
- Consulting employees
- Empowerment
- Total quality management (TQM)
- Offer Training
- Use Teamwork
- Provide adequate funding

### Benefits & Risks of Employee Empowerment

- Decisions can be made quicker and without having to constantly refer to a superior
- employees becoming more responsive to the needs of customers
- Employees are better prepared for promotion/better trained.
- without adequate training for employees, it increases the risks of mistakes being made
- some may be unhappy with the extra responsibility
- bad decision making may come from a lack of supervision

## Unit 4 Ratio Analysis

### 2019 Q5 (B)

(i) Explain what is meant by a **liquidity problem** in a business. MS: 3 marks

(B) (i) When a business struggles to pay off short term debts as they arise / can't raise cash to pay short term debts. 3

Q5 (B) (ii) Calculate the Current ratio and the Acid test ratio for BioMed Ltd for 2017 and 2018. Show your workings. MS: 16@1

(ii) Current Ratio  
Current Assets : Current Liabilities

2017	2018
40,000 : 20,000	62,500 : 25,000
2 : 1	<del>2.5 : 1</del> 2.5 : 1

Acid Test Ratio  
(Curr Assets - stock) : Current Liabilities

2017	2018
(40,000 - 10,000) : 20,000	(62,500 - 42,500) : 25,000
30,000 : 20,000	20,000 : 25,000
1.5 : 1	.8 : 1

Q5 (B) (iii) Analyse the significance of the trends for the liquidity of BioMed Ltd. MS: (2+2+2)

(iii) The current ratio has increased from the ideal of 2:1 to 2.5:1 in 2018. This means more <sup>current</sup> assets are available to try to pay off short term debts as they arise reducing the risk of liquidity problems, but meaning they may have excess unused assets not at work. The acid test ratio has gotten worse (1.5:1 down to .8:1). It is below the ideal of 1:1. They may struggle to pay off debts as they arise as they only have 80 cent in current assets for every €1 of current liabilities. 2 2

440 + 23 = 463 (23/25)

The stock is the only difference between these, so clever way of asking it, so that students should notice one is good, one isn't and why (I didn't!)



## Unit 4 D/E Ratio

**2014 Q5 (B)** The following figures are taken from the final accounts of Flame Ltd for 2013.

Flame Ltd	2013
	€
Authorised Share Capital	900,000
Issued Share Capital	450,000
Long Term Loan	200,000
Retained Earnings	150,000

- (i) Explain the term 'Debt/Equity Ratio'.  
(ii) Calculate the Debt/Equity Ratio for 2013. **Show your workings.**  
(iii) Discuss the importance of the Debt/Equity Ratio when deciding on new sources of finance for Flame Ltd. (20 marks)

**MS:** (i) 4m (2m + 2m) (ii) 10m (Formula 2m, 3 figures @ 2m, answer 2m) (iii) Importance 6m (3m + 3m)

(i) \_\_\_\_\_

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(ii) \_\_\_\_\_

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(iii) \_\_\_\_\_

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**MS:** (i) 4m (2m + 2m) (ii) 10m (Formula 2m, 3 figures @ 2m, answer 2m) (iii) Importance 6m (3m + 3m)

(i) The debt/equity ratio is an analysis of the capital structure of the business. It indicates what proportion of capital is made up of long term loans and what proportion of capital is made up of reserves and issued ordinary share capital.

(ii) Debt: Equity

200,000 : 450,000 + 150,000

200,000 : 600,000 .33 : 1

(iii) Flame Ltd is a lowly geared company which means the majority of the capital has been provided by the owners in the form of share capital and retained earnings. Flame Ltd can raise further capital by selling shares up to a limit of €450,000 (Authorised – Issued).

Raising finance through additional loans is an option for Flame Ltd because it does not have too many existing loans already, as it is lowly geared.

## Unit 4 Sources of Finance

- (c) Describe **two** distinct situations requiring **short-term** finance for a start-up business **and** explain the most appropriate source of short-term finance in **each** situation.

(20)

No waffle, no padding – get to the point, state and then develop answers

(c) <u>Paying employee wages</u>	4	4
A start up business may not have enough revenue yet so should arrange a <u>bank overdraft</u> in their current account so they can spend more money than they currently have to pay their staff.	3	3
<u>Purchase stock to sell</u>	4	4
A business should use <u>Trade Creditors</u> to get stock now and pay them at a later date, giving the start up time (credit period) to raise money from selling the goods to pay off the supplier.	3	3
	(20/20)	(20/20)

There were three sets of marks here as the question asked for three things...

- 1 – Describe a situation requiring short term finance
- 2 – Give a source of finance that is appropriate
- 3 – Explain why it's appropriate for that situation

Short, concise, answering each part, 20/20 marks in less than half an A4 page

# Quality over quantity

**\*NB\*** If a question asks for sources of finance (particularly for the ABQ) then you should give a short, a medium and a long term source.

If you're asked to explain a term, you can see two sets of marks will apply, let's look at a short on finance to see that...

## 2018 Q7 Short

7. (a) Explain the term **working capital**.
- Finance available for day to day / current use -  
money in a business to pay off debts as they arise 2
- (b) Outline **two** problems caused by insufficient working capital for a start-up business.
- <sup>become a</sup> (i) Bad Debts: If a business runs out of cash / hits  
liquidity problems, they may not be able to pay creditors  
damaging their credit rating / making it harder to buy on credit. 3
- (ii) Loss of Service: If a business can't pay bills they  
may lose the use / get cut off eg. telephone, 0  
light + heat, gas...

For (i) marks were 4 (2+2) so even though day to day is essential – you should try to add/develop every time e.g.

*The level of cash available for the **day by day** running of a business.*

*Then... It is used to **pay current liabilities** such as creditors, bank overdraft...*

*Or... it is **calculated by subtracting current liabilities from current assets.***

For (b) (ii) it was a bit harsh getting 0, but the answer is a bit clumsy and if re-written would have picked up full marks. E.g.

*Service suppliers like gas or electricity companies may shut off their supply if the new business can't pay the bills owed to these companies.*



## Unit 5 – Production Process

### Production Process - Linking in named businesses

**Q5 (C)** Discuss the factors a business should consider before changing from a batch to a mass (flow) method of production. **MS: 3@5(2+3)**

No need to give information that doesn't answer the question – I gave definitions or explanations of both types as an intro – a waste of time and not needed.

(C) Batch - produce limited quantities at a time in different sizes/colours etc... (boots)

Mass - 24/7 Continuous production of a product (toilet paper)

A business needs to look at the capital investment required as new machinery required could be very expensive. 2

Mass is more automated so finance will be required to buy and run/maintain the new machines. 3

Staff may have to be re-trained costing more with new machines.

A business needs to consider staffing requirements. 2

Batch workers may be more skilled so if kept on may be getting paid too much or may become bored and unproductive with less challenging work. 3

Redundancies may need to be offered to reduce staff costing money / demotivating morale.

Staff may also have to be retrained.

The size of the market is also important. 2

and a business will be able to produce a lot more units so they need to ensure they won't have to lower their price too much to sell them or that the market is big enough to sell the larger quantities so they don't become obsolete. 3

15  
15



## Unit 5 - Niche market

2017 Q7 (A)

### Fantasia Clothing Ltd

*Amy Carroll noticed that a lot of children's clothes available in the market are mini-versions of adult clothing. She identified a gap in the market for clothes which are bright, colourful and fun, designed specifically for children. She established Fantasia Clothing Ltd which, in two years, has earned a loyal customer base. Her unique designs, produced using quirky and comfortable fabrics, ensure her children's clothing stand out in the saturated children's clothing market.*

- (i) Explain the term niche market with reference to Fantasia Clothing Ltd.  
(ii) Illustrate the implications for a business operating in a niche market. (20m)

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(ii) \_\_\_\_\_  
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## 2017 Q7 (A)

**Fantasia Clothing Ltd**

*Amy Carroll noticed that a lot of children's clothes available in the market are mini-versions of adult clothing. She identified a gap in the market for clothes which are bright, colourful and fun, designed specifically for children. She established Fantasia Clothing Ltd which, in two years, has earned a loyal customer base. Her unique designs, produced using quirky and comfortable fabrics, ensure her children's clothing stand out in the saturated children's clothing market.*

- (i) Explain the term niche market with reference to Fantasia Clothing Ltd.
- (ii) Illustrate the implications for a business operating in a niche market. (20m)

(i) A **niche market** is the subset of the **market (a segment)** on which a specific product is focused. The product's features are aimed at satisfying specific **market segment** needs, as well as the price range, production quality and the demographics that is intended to impact. It is also usually a small **market segment**. The children's clothing market is very large. Instead of competing against every seller in the market, Amy is targetting the segment of the market that would like 'bright, colourful and fun' kid's clothes.

**(ii) Lower Volume of Sales**

If a business decides to sell in a niche market, they **won't make as many potential sales as in a larger market**.

They may need to **adapt the price to increase profit margins** on each sale to make enough profits.

E.g. Amy may need to increase her price from €10 to €15 per item as her sales will be lower

**Potential to Expand**

A business may use a niche market to **establish itself** and **build consumer loyalty**, before looking to expand in to **different market segments**, using it's now **established brandname**.

Under Armour did this by first launching under garments for sports, then expanding in to tracksuits etc.. when they were established.

E.g. Amy could **build a following** in the niche market and then use this to **launch a range for teenagers** that lots of her customers would also need.

## Unit 5 - Pricing Strategies

### 2017 Q7 (B)

- (i) Outline three pricing strategies a marketing manager could consider in setting a selling price for a product or service.
- (ii) Name one pricing strategy suitable for a product or service of your choice, explaining the reason for your choice of pricing strategy. (20m)

(i) \_\_\_\_\_

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(ii) \_\_\_\_\_

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## Pricing 2019 Q7 (A)

Read the information supplied and answer the questions which follow.



### Intezz - Sugar Free Soft Drink

Beveraton PLC is a global manufacturer of soft drinks. It developed **Intezz**, a new sugar free soft drink which will be launched in the market in September 2019.

- (A) (i) Explain the factors that should be considered before deciding on the price to charge consumers for a product.  
(ii) Outline the pricing strategy best suited to the **introductory stage** of **Intezz** and **explain** the reason for your choice. (25)

You only need to link to the stimulus information if it's mentioned in the question – in (A) there is no mention of Intezz, so none is needed in your answer – in (B) It is mentioned so you need to relate the keywords given to the stimulus information.

(A)	What image you want your product to have.	3
	Rolex use a high premium price to reflect that it's a very high quality/luxurious watch.	3
	The income levels of your target market.	3
	Haribo have lowered their prices as their target market is children who don't have much disposable income.	3
	Tax levels/regulations	3
	VAT changed from 9% → 13.5% for coffee shops and minimum wage went up from €9.55 → €9.80 so a cafe deciding on prices would need to factor in increases by increasing their prices if they want to get a certain net profit margin on items.	3
(ii)	Intezz could use penetration pricing, charging a lower price to competitors to help build a market share in a competitive market with Monster, Lucozade, Red Bull already offering similar products, would be useful starting out as consumers won't have loyalty to you some cheaper prices will encourage them to try Intezz.	3 2 2

## 2017 Q7 (B)

- (i) Outline three pricing strategies a marketing manager could consider in setting a selling price for a product or service.
- (ii) Name one pricing strategy suitable for a product or service of your choice, explaining the reason for your choice of pricing strategy. (20m)

### (i) Penetration Pricing

A manager could consider charging a **lower** price than your **competition** when you **first enter** a market with a **new product** to try to **gain a market share** by undercutting competition.

Usually happens in strong market places, with the aim of achieving a large **portion of the market quickly**.

E.g. Meteor, LIDL, Tesco

### Price Skimming

The manager could consider **charging a high price initially** for a new product to **capitalise** on those consumers that see the product as a '**must have**' good, and to have it to 'show off'.

It could be used to **recoup high research and development costs** of bringing the product to the market, if they faced this.

E.g. If they were launching a **new PS4 game** that was sought after

### Premium Pricing

If the marketing manager felt their product had a superior or high quality feel to it, they may look to set a higher price than their competition in the market to reflect the product's high quality.

E.g. Ben and Jerry's Ice Cream

### (ii) Cost Plus Pricing

This is where a marketing manager **takes the cost** of the product to manufacture, and then **adds a percentage** to it to find the selling price.

I think this would be suitable for a clothing retail store. It would make it easy to sort the quality between different products for the seller. It would also mean the shop would make an **equal profit margin** on everything they sell.

E.g. adding 50% of the cost on top to make the selling price for socks.



## Unit 5 - Product Development Process

### Question 6

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



#### Fitbit fitness watches

Fitbit fitness watches are wireless-enabled wearable technology devices that measure data such as the number of steps walked, heart rate, quality of sleep, steps climbed, and other personal metrics involved in fitness. In 2018 Fitbit announced plans to collaborate with Google in the digital health technology market.

www.fitbit.com

- (i) Explain the term unique selling point (USP) and provide an example to support your answer.
- (ii) Illustrate the new product development stages of Feasibility Study, Prototype Development and Test Marketing with reference to the Fitbit fitness watch. (20)

Q6 (A)

(i) This is the element of the product that differentiates it from competitors. 3 3

Apple's white design and logo make it look very different to Samsung phones. +2 1

It is the only phone that can use iOS software.

(i) just asked for an example, not to reference Fitbit like (ii)

(ii) Feasibility Study

A business should check is it possible to actually create. 3 3

Is there a big enough market? Do market research to assess commercial feasibility or cashflow forecast for financial feasibility

Fitbit could do a survey to see the size of the potential market so they know it is big enough to make a profit. 2 2

Prototype Development

Creating a working sample of the product to test. 3 3

Fitbit could make a sample and use it and then fix any GPS bugs that exist. +2 1

Test Marketing

Letting a segment/group of your target market use 3 3

the product, so give 100 Fitbits to active people aged 30-50, and then get their feedback on using it. 2 1

## Unit 5 - Product Life Cycle

### 2018 Q7 (A)

**Q7 (A)** Read the information supplied and answer the questions which follow.

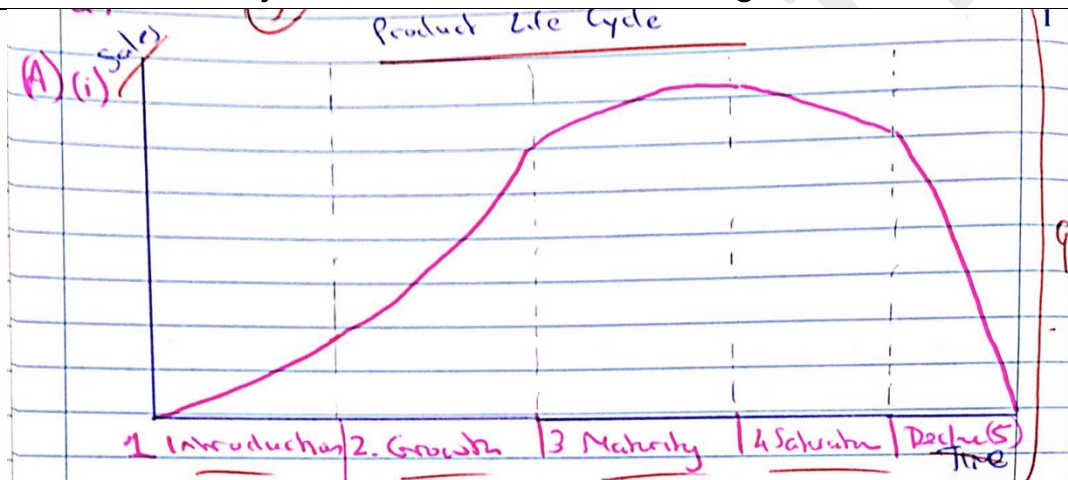
*Cadbury is a confectionery company operating since 1932. It produces several well-known chocolate brands such as **Dairy Milk, Crunchie, Flake, Milk Tray, Roses** and **Creme Eggs**. In the Irish chocolate market Dairy Milk is the number one brand.*

- (i) Draw a product life cycle diagram and explain each stage.
- (ii) Outline **two** methods a business could consider to extend the product life cycle.

(25 marks)

**MS:** (i) Diagram 9m 5@1: each stage 4@1 Title Sales Time Curve

Each stage explained 5@2 -Accept 2 references to impact on sales if clearly differentiated – don't just talk about sales for each stage!



## 1 Introduction

Sales are slow as the product is launched and not many consumers know about it or have tried it.

Needs a good advertising campaign or good PR with a press conference / social media endorser to help establish it.

## 2. Growth

Sales increase as the product/brand is recognised and gets bought by new consumers.

They are attracted often by sales promotions / advertising used by the company to entice new sales.

## 3 Maturity

The product becomes established in the market.

Sales start to slow down / level off

## 4 Saturation

Most of the people/consumers that are going to buy your product already have.

new competitors enter the market taking some sales from you.

The product has aged / going out of fashion

## 5 Decline

Sales drop as people stop buying the product

Sales/Product Harvesting may take place where the business tries to sell off remaining stock at very low prices rather than have it go obsolete.



MS (ii) 2 @ 3 Two different elements of the marketing mix required – can't both be Price or Promotion related – must be separate Ps

### (ii) Improve Product

A business could enhance parts of the product (feature/design) to keep it up to date/relevant.

Apple improve the camera and speed of iPhone every year to try to keep sales high.

### ~~Improve~~

### Introduce Limited Editions

Cadberys introduce new flavours of types of bars and Coke introduce new sizes of bottles/cans to keep sales high.

Different packaging (eg. reclosable chocolate bars) and sugar free options (eg. Coke Zero) are used to keep people buying the product.

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## 2024 Watchlist - Promotion 2019 Q7 (B)

- (B) (i) Describe the role of Public Relations (PR) in a business.  
(ii) Discuss the methods Bevearton could consider to develop good PR, providing examples to support your answer.

(20)

(i)	
(B)	PR is about improving and <u>maintaining a good public image</u> for the business. 3
	It helps a business build a good reputation with the general public for its brand through press conferences, sponsorship, endorsements. 2
(ii)	Endorsements, by getting someone liked by the target market, Bevearton could pay a social influencer like Rob Lipsett to drink their Intezz drink on his YouTube channel. 2
	Sponsorship of an event (race/triathlon) would link it to sport. 2
	Intezz could be the sponsor for a charity 5km run so people know Intezz are helping in the community/ donating to charitable causes. +1
	Intezz could use <u>social media</u> (press releases on Twitter) to respond to any criticism of them or to send inspiring messages to help motivate people. 2

### KEYWORDS KEYWORDS KEYWORDS

This is a brilliant answer to show how you have to answer different elements of a question. The marking scheme was 2+2+1 – so 2 marks for naming a method, 2 marks for developing/explaining it how it can help “develop good PR” and 1 mark for the example linked to Bevearton. In my answer, I tried to get straight in to the example and then in the process didn’t fully develop my answer.

In the top and bottom answer, I didn’t show clearly the benefit of developing good PR like I did in the middle answer, referring to how people can see that they are helping in the community donating to charitable causes which got the +2.



## Unit 5 - 2024 Watchlist - Sales Promotion

### 2016 Q7 (B)

*Stitch Express is a business set up by Alex Dunne originally offering clothing alterations, dress restyling and repairs. The business has grown and Alex believes it is time to update his marketing strategy. Following market research, Alex introduced a dry cleaning service. There are a few competitors in the market, so Alex decided to review his pricing and promotion policies. Alex believes he will need to rebrand the business, as a result of introducing the dry cleaning service.*

Evaluate the effectiveness of sales promotion techniques Alex could consider to boost sales. (15m)

**MS: 3 x 4m (2+2) and Evaluation 3m (1+1+1)**

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Link: 

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Link: 

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Link: 

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Evaluation: in my opinion 

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## 2016 Q7 (B)

*Stitch Express is a business set up by Alex Dunne originally offering clothing alterations, dress restyling and repairs. The business has grown and Alex believes it is time to update his marketing strategy. Following market research, Alex introduced a dry cleaning service. There are a few competitors in the market, so Alex decided to review his pricing and promotion policies. Alex believes he will need to rebrand the business, as a result of introducing the dry cleaning service.*

Evaluate the effectiveness of sales promotion techniques Alex could consider to boost sales. (15m) (Q has a blurb about Stitch Express to refer to)

**MS: 3 x 4m (2+2) and Evaluation 3m (1+1+1)**

### 1. Competitions

Using a **social media campaign** to run a competition using a 'Like and Share' method could get Stitch Express lots of **exposure online**.

Evaluation: In my opinion, a **viral** social media campaign could be great for new customers as existing ones will like and share to win, so **their friends will see**.

### 2. Bulk Deals (2 for 1)

They could use a **short term offer** like get 4 shirts ironed, get a 5<sup>th</sup> one free.

Evaluation: In my opinion, this would be great at **attracting new customers** who might see it as a **bargain** so they'll **try out Stitch Express**.

### 3. Customer Loyalty Card

Stitch Express could use a **loyalty card** where customers get a **stamp** every time they get an item laundered, and get a **reward** for every 5 stamps.

Evaluation: In my opinion, this would be great, as it would **incentivize** customers to **come back and use the laundry again** in order to avail of the **reward**.

## Unit 5 - Market Research (Desk & Field)

### 2024 Watchlist

- (i) Explain the term **market research**.
- (ii) Evaluate the different types of desk research **and** field research
- (i) The process of **collecting and analysing** information about the target market to **analyse it and establish trends**.

### (ii) Field Research

#### (Direct) Observation

An employee of the business takes note of customer behavior at the point of sale. This enables the business to see what customers are doing without interacting with them directly. This reduces the impact of bias on the results obtained.

#### Survey (interviews or questionnaires)

An employee of the business interacts directly with the target market/representative sample of the population and asks them specific questions. The aim is to determine people's reactions to particular products or services. Both qualitative and quantitative data is produced. The results of each questionnaire are recorded. A survey can be done by person, or by telephone or by email.

#### Customer Feedback

Sales employees often have an opportunity to gather feedback from customers at the point of sale. This can be reported to managers and may inform future decisions of the business.

### Desk Research

#### The internet (websites/user groups such as boards.ie, reddit)

The internet is the largest collection of data available anywhere in the world. It contains large banks of statistics and news articles

which help to establish trends in customer behaviour. It is easy to access and cost effective. Data published on the internet can be used by the business to establish trends within the target market.

### **Trade Associations/Interest Groups/published reports**

Trade Associations and interest groups publish research findings and annual reports which provides an insight to how customer behaviour can be changing.

Industry associations/trade associations may publish research from time to time. This provides information about the product and how it is changing within the market or how the market is changing. Very focused data is provided.

## Place

The trend here recently is to look at benefits/challenges of a business using certain sales routes, so something like below could come up

e.g. implications of selling through their own e-commerce site

e.g. implications of choosing to sell online and not have any stores

e.g. implications of choosing to sell through a large supermarket like Tesco

**Q7 (C)** Evaluate the benefits and challenges for a small start-up business of choosing a direct channel of distribution rather than selling through wholesalers and retailers. (15 marks)

MS: 1@7(4+3); 2@3(2+1); Evaluation 0 or 2

Q7	1	2
(C)		
<u>Benefits</u>		
<u>Higher Profits</u>		
A small business may have to give a large cut/portion of their profit margin to intermediaries like wholesalers to stock their product.		2
<u><del>This too</del> Selling direct would improve their margin either increasing sales or allowing them to reduce price to be more competitive</u>		3
<u>Access to Customers / Database</u>		2
If a business sold directly online they could also gather the customers contact details at time of purchase.		
<u>They could create a marketing mailing list / database to understand their market better, boosting sales</u>		1
<u>Challenges</u>		
<u>Establishing a Presence</u>		2
<u>Small firms often don't have much funds so would need to spend a lot on a premises with a suitable location or on boosting their position in search engines to effectively increase market share and become known to consumers</u>		1
<u>Evaluation: In my opinion it is very expensive and a much bigger risk for a small start up to try to open their own store rather than</u>		



## Chapter 18 Business Expansion

### 2018 Q5 (A)

**Q5 (A)** Read the information supplied and answer the question which follows.  
(25 marks)

***Supermac's** is an Irish fast food franchise which was set up in Ballinasloe 40 years ago by Pat McDonagh. In May 2017 **Supermac's** took home the award for "Franchise of the Year" at the Irish Franchise Awards. **Source:***  
***www.hospitalityireland.com***

Outline the advantages **and** disadvantages for a business in the fast food sector of choosing franchising **as a method of business expansion**. (20 marks)

**MS: 2@7(4+3) 1@6(3+3)** At least one of each required.

- As fast food restaurants is mentioned in the question, you should refer to restaurants or fast food in some way in your answer.
- For a method of business expansion, that means the business that is expanding will use franchising i.e. they will sell their idea, so you need to answer from that perspective, not a new entrepreneur opening a business and becoming a franchise
- For advantages and disadvantages or benefits and challenges – you need to give a minimum of one of each. If it said advantages or disadvantages, then you can't get marks for each, you must pick one and base answers around that.

Q5

## (A) Advantages

### Quick/Fast Expansion

Franchisees are going to finance the opening of new restaurants so the existing business doesn't need to increase Debt or Equity in order to expand which could be slow and limited. This allows more new branches to open more quickly than if they were to open them from scratch over time.

### Increase Sales/Fees/Profits

If new restaurants are successful, the franchisor will usually take a share of the profits (or revenue) from the franchisee.

The business may also get a one-off initial payment. McDonald's costs over €1m in licensing fees to open as well as having to pay them a percentage of your profits.

## Disadvantages

### Level of work/Time Spent

Franchisors would have to spend a lot of resources (time, funding, research) to help new franchisees set up.

They usually provide mentoring, offer advice, train and supervise new franchisees for months before they are able to open up their own restaurant brand. - they may also spend lots of money

Researching potential locations/markets to  
② attract new franchisees.

### Standard / Brand Name

There is a big risk for franchisers that a  
new franchise opens and the quality of the  
fast food or service isn't good. With social  
media, issues could go viral quickly damaging  
the brand's reputation and negatively impacting  
sales for all restaurants

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**2011 Q6 (A)**

(i) Illustrate the difference between a *merger* and a *takeover* as methods of business expansion.

(ii) Discuss the benefits and risks of a merger as a method of expansion for Kilronan Ltd. (25 marks)

**MS: (i) 2@ 5 marks (2+2+1) (ii) 3 @ 5 marks (2+2+1)**

(i) A merger is a **voluntary amalgamation** of two or more individual firms for their mutual benefit. A **single new legal entity is formed** once it is approved by shareholders and neither has control over the other.

e.g. Avonmore Plc and Waterford Plc merged to form Glanbia.

A takeover can be **hostile** (when the company being acquired doesn't want to be) or **friendly**. It occurs when **one business owns/buys 51% of the shares in another** company. The acquiring company absorbs the other company, which loses its identity after the acquisition and becomes part of the acquiring company.

e.g. Eircom took over Meteor mobile phone company for €420 million.

(ii) 1. A merger allows a business to grow its market share much **quicker** than growing **organically**. E.g. Kilronan could grow sales much faster by merging rather than trying to grow just using **advertising campaigns**.

2. Merging with a competitor means the business will now have access to their **product range and brands**, boosting **customer loyalty** and making it **easier** to **launch new products** in to the market.

If Kilronan merged, they would add new brands and products to their range, instead of spending **money** and **time** in their **R&D** to create new products.

**Other: Diversification; Economies of Scale; New tech/markets**

3. When businesses come together there could be a **clash of cultures** as employees might not be used to **norms** in their old entity.,

If Kilronan merged with another business different **work practices** and **management styles** and **systems** used could lead to a lack of cohesion.

**Other: Industrial Relations problems (redundancies); Duplication of resources/costs**



## Unit 6 - Social Responsibility

### 2016 Q2 (C)

Corporate Social Responsibility refers to how businesses interact with their stakeholders on a daily basis including investors, employees, suppliers, customers, and government.

Discuss the social responsibilities of a business to any four stakeholders referred to above. (20 marks)

### Or 2009 Q2 (B)

*"Business is not only about doing things right, it is also about doing the right things."*

Discuss the social responsibilities that a business has to its various stakeholders. (20 marks)

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### 2016 Q2 (C)

*Corporate Social Responsibility refers to how businesses interact with their stakeholders on a daily basis including investors, employees, suppliers, customers, and government.*

Discuss the social responsibilities of a business to any four stakeholders referred to above. (20 marks)

**MS: (MS for similar Q asked in 2009) 4 @ 5 Marks (1+2 +2)**

**1. Investors:** A business should **present true and fair reporting of accounts** and give investors a **fair return in dividends**, and it should **avoid excessive payments to senior management**. It should act in accordance with the **Memorandum and Articles of Association**.

**2. Employees:** Adhere to **Employment Law, Health and Safety Regulations** and provide a **safe working environment**.

They should pay a **fair wage to all employees**, treating them all with **respect and dignity**, respecting proper **working hours, minimum wages** etc... **Equal opportunities for promotion and pay** should be given to all employees.

**3. Suppliers:** Pay in **full and on time** for goods purchased. They should allow **open tendering** i.e. it should be an **open and fair process**, not choosing a friend's business.

**4. Customers:** A business should use **fair and honest advertising** and give the customer their **right to complain**, and look in to their complaints. Goods sold should be of **merchantable quality**, match their **description**, be **fit for purpose** etc...

**5. Government:** A business should pay all their taxes due to the Government **in full and on time (Corporation Tax, VAT, collect PAYE)**. They shouldn't **evade** paying their taxes. They should stick to all relevant legislation – Equality Act, Company Law and make sure to listen to government bodies e.g. Environmental Protection Agency.

## Unit 6 - Environmental issues / importance

2019 Q2 (A)

Read the information supplied and answer the questions which follow.

### *The Dough Bros Pizzeria*

*The Dough Brothers serve authentic wood-fired pizza at markets, events and private parties.*

*The brothers recently switched from single-use plastic to biodegradable cutlery and napkins. (Adapted from The Irish Times July 2018)*

- (i) Discuss the importance for a business of being environmentally responsible.
- (ii) Outline **two** measures, other than the measure outlined above, a business could consider in its effort to become more environmentally responsible.

MS: 3@5(2+3) 2@5 (2+3)

(i) \_\_\_\_\_

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(ii) \_\_\_\_\_

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## 2019 Q2 (A)

Read the information supplied and answer the questions which follow.

### *The Dough Bros Pizzeria*

*The Dough Brothers serve authentic wood-fired pizza at markets, events and private parties. The brothers recently switched from single-use plastic to biodegradable cutlery and napkins. (Adapted from The Irish Times July 2018)*

- (i) Discuss the importance for a business of being environmentally responsible.
- (ii) Outline **two** measures, other than the measure outlined above, a business could consider in its effort to become more environmentally responsible.

**MS: 3@5(2+3) 2@5 (2+3)**

(i) 1. Using products made from recycled material will reduce a business' impact on the environment.

2. Reducing waste and packaging can reduce a business' costs as they will pay less to recycle unwanted leftovers and waste disposal services.

3. Good PR for the business on social media for being environmentally friendly. Can help attract new customers and increase sales.

**Other: Improve sustainability, attract staff/investors, comply with regulations/fines**

(A) If a business doesn't pollute or break laws they  
(i) won't face fines from the Environmental Protection  
Agency (EPA), like Shell Oil's fine for the oil spill in the sea.

### **Environmental Audits**

Independent studies of how the business impacts the environment. This makes the business more environmentally aware so they can reduce negative environmental impacts.

### **Encourage Car Pooling**

They could reward staff that share commutes to or from work in order to reduce petrol use by their employees.

**Other: Recycling, Limit packaging, Source Sustainable raw materials/use local suppliers and so reduce carbon footprint, Training of employees to be more environmentally aware, Compliance with environmental laws, Renewable Energy**

## Unit 6 - Business Ethics

### 2017 Q2 (B)

- (i) Explain the term **code of ethics**.  
(ii) Outline the benefits **and** challenges for a business of introducing a code of ethics. (20 marks)

(i)

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(ii)

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## 2017 Q2 (B)

- (i) Explain the term code of ethics.
- (ii) Outline the benefits and challenges for a business of introducing a code of ethics. (20m)

(i) A code of ethics is a **formal written statement** created by a business, setting out the **expected behaviour** for its **employees/managers** when dealings with **employees, customers and the community in which it operates**.

(ii)

### Sets High Standards

This gives employees and managers **standards of behavior to follow**, making them more ethical. By explicitly stating expected behavior, it's **easier** for staff to know what is expected of them.

### Encouraging 'whistle blowing'

This involves **encouraging staff to report unethical behaviour** by creating a climate where whistle blowing is **rewarded**.

This will **discourage unethical behavior** so the business is less likely to have their image tarnished by unethical behavior being reported about them in media.

### Changing Norms

It can be very **difficult to change culture and practices** within a workplace. Staff may feel that a code of ethics being introduced means they **aren't trusted** and that the management thinks they've done **something wrong**. They may be **resistant** to any changes introduced.

### Costs

A code of ethics should be presented to staff at **induction training** and **reminder training** should include modules on ethical behaviour. This would add to the time and money spent by the business on training.

## Unit 6 - Employment (impact on economy)

### 2018 Q2 (B)

Outline the benefits **and** challenges of increasing employment for the Irish economy.

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## 2018 Q2 (B)

Outline the benefits and challenges of increasing employment for the Irish economy.

MS: 1@7(4+3) 3@6(3+3) Only one government point accepted

### Benefits

- **Increased income** for employees will **increase consumption spending**/higher standard of living
- Increased **taxation revenue for the government** will lead to an improvement in public services or assist in paying of national debt/Reduction in Social Welfare as there is less unemployment.
- **Increased confidence and local pride** will mean more vibrant communities
- **May attract foreign direct investment** as the reputation of 'Ireland.inc' improves.
- **Improved infrastructure** will need to be provided to facilitate the increase in employment (improved DART, Luas Cross City and Metro system )
- **Political Stability/greater social cohesion**. Generally the electorate becomes more settled when employment levels are high.
- **Less emigration** as more employment is available in Ireland/fall in "brain drain".

### Challenges

A **skills shortage** may exist as some skills are in high demand (e.g. programmers, chefs, hospitality service)/Difficulty finding workers to fill vacancies.

**Pressure may be put on housing stock** resulting in a rise in rents and a lack of suitable accommodation in critical areas.

The **lack of affordable accommodation** may also reduce the attractiveness of Ireland as a location for multinational companies.

Improvements in infrastructure take a long time to occur. A **commuter culture** may be created where employees are forced to travel long distances to get to work.

High consumption spending leads to **inflation** which in turn causes **wage demands** affecting business competitiveness.

More inward migration – puts pressure on infrastructure here for housing, public transport, schools etc.. with increased population.

## Unit 6 - IDA Ireland / Enterprise Ireland / LEO role, impact 2014 Q2 (C)

Discuss the current role of the Industrial Development Authority (IDA Ireland) and Enterprise Ireland in the development of the Irish economy. (20 marks)

### Industrial Development Authority (IDA Ireland)

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### Enterprise Ireland

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## 2014 Q2 (C)

Discuss the current role of the Industrial Development Authority (IDA Ireland) and Enterprise Ireland in the development of the Irish economy. (20 marks)

MS: 2 @ 10 (4+3(1+2)+3(1+2))

1. IDA Ireland is **responsible** for the **attraction** and **development** of foreign direct investment in Ireland.

Companies such as Google, Intel, Microsoft and Face book etc. have all interacted with the IDA.

*(You must use this point for Qs about the IDA)*

2. IDA Ireland **provides information** and **statistics** on **key business sectors** and **locations** within Ireland (market research) to help FDI make decisions.

**Other:** Helps networking (introducing investors to local industry)/ builds links between Irish and international education/ academic/ research centers/ Offers Advice to Potential FDI on property etc...

3. Enterprise Ireland has the **responsibility** for **developing Indigenous Irish industry with an export focus**. It is focused on helping Irish-owned business with **10 or more employees** seeking to deliver new export sales.

*(You must use this point when answering a question on Enterprise Ireland)*

4. Enterprise Ireland provides **funding** and **supports** for companies e.g. **entrepreneurs** with business propositions for a high potential start-up or large companies **expanding** their activities and **growing international sales**. It can also **provide equity investment** for business.

**Other:** International Offices, networking, trade missions/trade fairs



# Section 3 – The ABQ

## How to answer the ABQ

You will have about 45 minutes to answer this section and most students spend too long and write too much – practising the ABQs in this pack under exam pressure is key to students looking to score top grades or improve their grade in June.

### Most ABQ Questions should be answered with the same structure:

**1. State** (Give a heading)

**2. Explain** / Theory (Give textbook knowledge relevant to the link)

**Stating and explaining is you showing KEYWORDS / TEXTBOOK KNOWLEDGE and makes up about 75-80% of the marks – this is the vital part.**

**3. Link** (Give a “direct quote from the ABQ text” relevant to the theory) Then depending on the question you could be asked to evaluate or recommend or give a benefit of etc... which could be given next.

A heading, then 2 points of relevant information /keywords, then a direct quote are enough for almost all ABQ questions. The best students will trust they’ve written enough and move on and not overwrite in the ABQ.

If the verb is **evaluate**, you should also give an opinion on the ABQ itself after following the structure above. I would evaluate each part of the answer e.g. if the Q is on Management Skills, I would evaluate Leading, Motivating and Communicating.

### What’s important?

- 1. Links given must be quotations/phrases directly from the text**, not just a reference to the text.
- 2. No marks are awarded for links without relevant business theory.**
- 3. No marks are awarded for business theory unless theory is relevant to the ABQ** (i.e. a link could be found in the ABQ for that point)
- 4. You cannot use the same link twice** in the same part of an answer

## Sample H1 Answers from Leaving Cert Scripts

2019 ABQ

As the number of bookings continues to rise Emma is under increasing pressure to meet the couples' requirements and to operate within the budgets agreed. For a recent wedding Emma realised that she had underestimated the scope of the work and left herself extremely short on time. As a result the menus were rushed, and the incorrect date was printed on them. In addition, the couple complained that the flowers used to decorate the venue were not fresh. The wedding souvenirs for the guests were not available on the day. It turned out that Emma had employed a local college student with an interest in photography, rather than a professional photographer to take the photographs. The couple were very disappointed with their wedding album. They posted an unfavourable online review of Oatfield Lodge.

- (C) Do you think Oatfield Lodge, as a service provider, has complied with the terms of the Sale of Goods and Supply of Services Act 1980?  
Explain your answer, using your knowledge of the Act **and** referring to the text of the ABQ.

(30)

(C)	NO.	3
	She must provide a service <sup>using</sup> someone with	3
	No necessary skills/qualifications for it.	3
	A flight on a plane should be provided by a	3
	qualified pilot.	
	"Emma had employed a local college student with an interest in photography, rather than a professional photographer to take the photographs"	3

Note, that there was a yes/no question at the start worth 3 marks (almost a full percent!) so make sure to answer these!

For the main answer; I made a point, developed it with an example and then gave a relevant direct quote from the ABQ text. (NOTE: The marks on the very right are the correct examiner's marks)

I didn't use headings even though the verb was explain, just to show that you don't ever actually need headings, once there is a statement & development in there

2019 ABQ

## Oatfield Lodge Wedding Venue

Emma Daly worked as an operations manager in the catering section of a major airline for many years. In 2010 she married John, an architect, and settled into his family's farm in North County Dublin. Emma became frustrated with the limitations of working for other people. In 2015 she resigned from her job to go into business with her husband. A change in the law allowed for private venues to be used for marriage ceremonies. Inspired by her own wedding, Emma realised there was potential to start a business providing an alternative wedding venue. She and her husband converted an old barn into a marriage and wedding reception venue, and some stables were converted into apartments for guests. In 2017 they opened Oatfield Lodge as a unique wedding venue. The client list began to grow and Oatfield Lodge received very favourable on-line reviews from clients and bloggers on wedding websites. In 2018 the business reported a profit of €100,000.



- (A) (i) Explain the term entrepreneur.  
(ii) Outline the benefits for Emma Daly of becoming an entrepreneur.

(20)

2019 ABQ (A) (i) Explain the term entrepreneur. MS: 3+3

(A) (i) The person who takes the personal and financial risk of setting up a business by spotting a gap in the market, being creative, and starting a business in order to make a profit. 3

For a direct question like explain the term or the verb 'define' you don't need to link the ABQ text

ABQ (A) (ii) Outline the benefits for Emma Daly of becoming an entrepreneur.  
MS: 2@7 (2+3+2) State, Explain, Link

To be your own boss 2  
Being an entrepreneur means you have control and power in decision making and Emma wouldn't have to just do what she was told by a manager. 3  
"Emma became frustrated with the limitations of working for other people" +2

Straight forward STATE + EXPLAIN + DIRECT RELEVANT QUOTE



2019 ABQ - Evaluating

Emma's long-term goal is to become the number one alternative wedding venue in Ireland, where people can get married, have a reception and stay after the event. Emma is the events manager in the business. **She meets with all couples a year in advance of their marriage and discusses different options with them.** From this initial meeting Emma decides the timeline for achieving a unique and personal experience. She must operate within the couples' agreed budgets. Emma must also ensure that a top quality service is provided. Oatfield Lodge was recently crowned *Top Wedding Venue* in Leinster. The business has six full-time staff, and it hires part-time staff as needed, based on the size of the event. For the wedding reception, part time staff are divided into teams and briefed on their roles. A separate supervisor oversees the work of the catering, bar, and housekeeping teams.

- (B) Evaluate the **management activities** involved in the operation of Oatfield Lodge Wedding Venue.

(30)

(B) Planning 3

Oatfield need to set objectives with strategies to achieve them.

Their plans could be long term (Strategic) ~~short~~ and shorter term (Operational and Tactical).

They could also use a SWOT (Strengths, Weaknesses, Opportunities Threats) analysis when planning.

"She meets with all couples a year in advance of their marriage and discusses different options with them." +3

**EVALUATION**

In my opinion, this is great as it gives them a future focus and allows them to set targets to achieve in a timeline that they can use to assess if they are achieving them as they go. 201

**STATE + EXPLAIN (KEYWORDS) + DIRECT QUOTE + GIVE AN OPINION AND JUSTIFY IT BASED ON THE ABQ TEXT**



2021 – ABQ - STATE + EXPLAIN (KEYWORDS) + DIRECT QUOTE

## Miriam's Crèche

Miriam Brophy set up Miriam's Crèche and Childcare Ltd in 2017. Miriam's Crèche offers childcare services for children aged between three months and 12 years of age. **Miriam aims to be the leading provider of childcare services in the area by 2030.** **The vision for the business is to offer each child the surroundings to develop to their full potential with friendly, professional staff.** Miriam manages the business on a day-to-day basis. She places an importance on attracting and retaining high quality staff. Miriam communicates all key messages at the weekly staff meetings. In 2019, Miriam started to research taking over a competitor. After 12 months of negotiations, Miriam purchased a rival business which owned three nearby crèches.



- (A) Outline, using examples, the different types of planning that contribute to the success of Miriam's Crèche. (30)

(A) Strategic Planning

Long term planning based on mission statement created by senior management eg Expansion to a new market / reaching a certain market share in 10 years.

"Miriam aims to be the leading provider of childcare services in the area by 2030"

Mission Statement

Overarching vision/ethos of the business used to guide decisions. The spirit or reason for existing. Other plans are built off this.

"The vision for the business is to offer each child the surroundings to develop to their full potential with friendly professional staff."

## ABQ #1 Unit 1,2,3 - Tasty Taco Truck Ltd

Troy Wright had spent years working in different restaurants as a chef. During COVID in 2020, he decided to quit his job to set up his own Taco Truck. He realised that people were going to outdoor coffee shops, so thought a food truck would work as well. He contacted his local GAA club and was able to convince them to let him set up in their car park. The GAA club weren't certain of allowing him to use their premises, but his self-belief in his idea shone through. Initially, sales weren't great, but Troy kept going and now his truck has become much more popular. Realising sales were growing and his business model works, he is now looking to open two more trucks in a similar way in other club grounds in Dublin. Troy knows there is no guarantee that they will go as well as his first truck, but is excited to attempt it.

When first setting up Tasty Taco Truck Ltd, Troy contacted his local GAA club by email and offered them €200 per week rent. He told them he planned to use the space to sell Tacos. They asked for €1,000 per month and asked for 6 months payment up front. Both parties were happy to agree to this. Troy transferred €6,000 to the GAA club, and they gave him access to their grounds and facilities. Both parties had checked the terms of the deal carefully as they knew that this was a legal agreement. They both had the contract for the lease signed in the presence of their solicitors.

As well as temperature checks, Troy encourages staff to taste a Taco every 2 hours to ensure that it is a consistent flavour. During the first weeks of selling he also noticed that he was throwing out a lot of unused ingredients that had gone off and had also run short on taco shells 3 times. He now has a system so staff report levels of each ingredient twice a day to ensure they don't fall too low. Troy was happy when he compared his revenue and expenditure to what he had planned to spend and earn when starting out – having reduced costs by reducing waste, he now thinks he will have a surplus in the Summer to run an advertising campaign to boost sales. One area he feels he really needs to work on is a corporate special he had been doing. He was allowing local business to order bulk orders for their employees, and then pay him at a later date when they were invoiced – this has led to him running short on cash some days as he has had to wait for payments to come in – he is thinking about adding in a 10% charge on corporate orders not paid within 7 days.

(A) Discuss the **entrepreneurial characteristics/skills** that Troy displayed in setting up Tasty Taco Trucks Ltd (20 marks)

(B) 'For a contract to be legally enforceable **certain essential elements** must exist.'  
Discuss this statement with reference to the rental of the premises by Troy for his Tasty Taco Truck business (30 marks)

(C) (i) Explain the Management Activity term '**controlling**'  
(ii) **Evaluate** Troy's level of **Management Control** in place at Tasty Taco Trucks Ltd (30 marks)

**ABQ #1 Unit 1,2,3 - Tasty Taco Truck Ltd**

(A) Discuss the **entrepreneurial characteristics/skills** that Troy displayed in setting up Tasty Taco Trucks Ltd (20 marks)

**MS: 4@5 (2+2+1) (State + Explain + Direct Quote)**

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(B) 'For a contract to be legally enforceable **certain essential elements** must exist.'  
Discuss this statement with reference to the rental of the premises by Troy for his  
Tasty Taco Truck business (30 marks)

MS: 4 points; 2 @ 8m (3+3+2), 2 @ 7m (3+2+2) (State + Explain + Direct Quote)

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(C) (i) Explain the Management Activity term '**controlling**'

(ii) **Evaluate** Troy's level of **Management Control** in place at Tasty Taco Trucks Ltd

**MS: (i) 6m (3+3) (ii) 3 @ 8m (2+3+2+1) (State + Explain+Direct Quote + Evaluate)**

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**ABQ #1 Unit 1,2,3 - Tasty Taco Truck Ltd (Solution)**

(A) Discuss the **entrepreneurial characteristics/skills** that Troy displayed in setting up Tasty Taco Trucks Ltd (20 marks)

**MS: 4@5 (2+2+1) (State + Explain + Direct Quote)**

**Innovative**

Entrepreneurs have the ability to be creative, coming up with new ideas or new processes for improving something that already exists to compete with it.

**"He realised that people were going to outdoor coffee shops, so thought a food truck would work as well."**

**Risk Taking**

They take on the personal and financial risk of investing in a business that may fail where there is no guarantee of profits.

**"During COVID in 2020, he decided to quit his job to set up his own Taco Truck."**

**Human Relations/Persuasive/Good Communicator**

Entrepreneurs are able to communicate effectively with other stakeholders and get on well with people. They are able to network effectively, building relationships with others and are able to be persuasive in negotiations.

**"He contacted his local GAA club and was able to convince them to let him set up in their car park."**

**Reality Perception/Realistic**

Entrepreneurs are able to see things how they are, not how they'd like them to be. It's a normal human tendency to have a positive bias for your own ideas, but an entrepreneur is able to consider them realistically and without bias.

**"Troy knows there is no guarantee that they will go as well as his first truck, but is excited to attempt it."**

**Proactive**

Entrepreneurs don't wait for things to happen, they use their initiative to act before they have to react to a changing environment.

**"Realising sales were growing and his business model works, he is now looking to open two more trucks in a similar way in other club grounds in Dublin."**

**Future Focused**

Entrepreneurs are able to anticipate future trends and use research to spot potential gaps in the market to try to take advantage of.

**"Realising sales were growing and his business model works, he is now looking to open two more trucks in a similar way in other club grounds in Dublin."**

### **Decisive**

Entrepreneurs can act quickly under pressure and are able to weigh up the pros and cons of an event and make a decision based on them, and then be confident of their choice and not second-guess themselves.

**"During COVID in 2020, he decided to quit his job to set up his own Taco Truck."**

### **Determined/Resilient**

Entrepreneurs are confident in their ability to be resilient in tough times, so when the business might not be going to plan they have the self-belief necessary to persevere and take corrective action to improve the situation.

**"Initially, sales weren't great, but Troy kept going and now his truck has become much more popular."**

### **Confident**

The ability to display self-belief. They would think they will be able to succeed and believe in themselves.

**"The GAA club weren't certain of allowing him to use their premises, but his self-belief in his idea shone through."**

**NOTE: YOU CANNOT RE-USE THE SAME LINK FROM THE ABQ TEXT FOR MORE THAN ONE ENTERPRISE SKILL/CHARACTERISTIC**

### ABQ #1 Unit 1,2,3 - Tasty Taco Truck Ltd (Solution)

(B) 'For a contract to be legally enforceable **certain essential elements** must exist.'  
Discuss this statement with reference to the rental of the premises by Troy for his Tasty Taco Truck business (30 marks)

MS: 4 points; 2 @ 8m (3+3+2), 2 @ 7m (3+2+2) (State + Explain + Direct Quote)

#### Agreement (Offer and Acceptance)

For agreement to exist there must be a **clear, complete and unconditional offer and acceptance of that offer.**

The party accepts the offer by agreeing to the terms as set out in the offer **orally, in writing, or by conduct.**

"When first setting up Tasty Taco Truck Ltd, Troy contacted his local GAA club by email and offered them €200 per week rent."

Or

"They asked for €1,000 per month and asked for 6 months payment up front."

#### Consideration

Each party in a contract **must exchange something of real value to the other party.**

Consideration is usually in the form of money, but it could also be something valuable exchanged as part of the contract.

"Troy transferred €6,000 to the GAA club, and they gave him access to their grounds and facilities."

#### Consent to Contract

Parties choose to enter contract **on own free will.**

There must be voluntary permission given by both parties.

They **can't be intimidated or threatened** in to entering a contract.

"Both parties were happy to agree to this."

#### Intent to Contract

Both parties have to realise they are entering a contract that is legally binding and **enforceable in a court of law.**

Social contracts, e.g. arranging for friends to show up to play a game of football, aren't legal contracts, so someone couldn't be sued for not showing up.

"Both parties had checked the terms of the deal carefully as they knew that this was a legal agreement."

### Legality of Purpose

An agreement to partake in **illegal activities** would not form a valid contract between parties. It must be for a legal activity.

**"He told them he planned to use the space to sell Tacos."**

### Legality of form

Some contracts must be **drawn up in a particular manner** e.g. be in writing if they are to be legally valid.

**"They both had the contract for the lease signed in the presence of their solicitors."**

### ABQ #1 Unit 1,2,3 - Tasty Taco Truck Ltd (Solution)

(C) (i) Explain the Management Activity term 'controlling'

(ii) **Evaluate** Troy's level of **Management Control** in place at Tasty Taco Trucks Ltd (30)

MS: (i) 6m (3+3) (ii) 3 @ 8m (2+3+2+1) (State + Explain + Direct Quote + Evaluation)

(i) Measuring deviations away from the plan and taking corrective action to get back on track.

#### (ii) Quality Control

Trying to increase the level of quality of products and reducing defect products. Includes creating quality circles with staff, carrying out sampling and physical inspections, and by achieving quality marks or certificates e.g. ISO9001 / Qmark.

*"As well as temperature checks, Troy encourages staff to taste a Taco every 2 hours to ensure that it is a consistent flavour"*

**Evaluation:** Troy is doing great here as regular sampling will mean staff don't unknowingly serve lower quality meals, which might turn customers off returning to eat there again

#### Stock Control

Having the right amount of stock in the right place at the right time for sales (optimum stock levels). Troy should try to carry out regular stock checks, sell on slow moving stock (discount sales), and try not to have too little stock so he doesn't lose sales and loyalty if consumers try and like other restaurants.

*"he also noticed that he was throwing out a lot of unused ingredients that had gone off and had also run short on taco shells 3 times"*

**Evaluation:** Troy could improve how much stock is wasted with regular stock takes means he'll reduce the waste he was throwing out

#### Financial Control

Monitoring business profitability and liquidity (ability to pay bills due). Troy can use Cash Flow forecasts, ratio analysis, and employing cost control measures (e.g. sourcing cheaper utilities, reducing wages).

*"Troy was happy when he compared his revenue and expenditure to what he had planned to spend and earn when starting out"*

Or



*"this has led to him running short on cash some days as he has had to wait for payments to come in"*

**Evaluation:** Highlighting a future surplus means Tory can plan to spend on his advertising campaign in advance and have it ready to go on time / means he won't run in to a deficit without being prepared / won't have liquidity problems

### **Credit Control**

Controlling the amount of credit given to customers and the payment period given to customers. Check credit worthiness of customers, set credit limits, shorter credit periods and penalties for late payments to seek to minimise bad debts.

*"He was allowing local business to order bulk orders for their employees, and then pay him at a later date when they were invoiced"*

Or

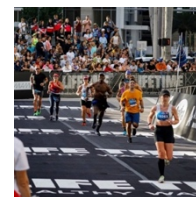
*"this has led to him running short on cash some days as he has had to wait for payments to come in"*

**Evaluation:** He could improve it by adding a late payment penalty will help him improve credit payments so he won't be short on cash if customers don't pay in time

Accept other relevant evaluations

## ABQ #2 Unit 1,2,3 – Peak Events 365 Ltd

Fiona Cullen had been working as a teacher in a secondary school for 20 years. She felt she had reached the limit in how far she could progress in teaching as she did not want to become a principal. In her large school, she felt that it was very hard to have input in to how things were done and became frustrated at working there. She decided it was time for a change so left teaching. She had always been big in to sports and when looking around, had realised there was room for an events management company that would run races and provide all the resources and food for events across the country. She calculated that if she was able to charge a 5% fee on all entries to events she'd be able to double her current wage as a teacher within 3 years.



Fiona has organised her staff in to three separate departments to run her business. She also recently decided to arrange her staff in to teams where a team leader would run different projects with staff from each department. Her business has been thriving and demand for events post COVID is very big. Fiona's website can get very popular at peak times, like when a big race is about to open for entries, so she has worked with her IT team to have a plan in place for if the website crashes from too much traffic to the site. At some races, too many participants have shown and there haven't been enough race numbers or food to feed them after their events. She has now asked staff to do a check of estimated numbers for each event, and to bring at least 10% extra of what each participant gets, above what they think will be the amount of people that show up. She has also noted that in some months of the year there aren't many events, which means revenue is low, so she wants to make a plan of future spending and revenue for the next few months.

Fiona has had some issues lately with her staff that she's not too sure how to handle. She feels staff get paid a reasonable wage but she's had requests in from staff to have a 2% increase in their wage to be in line with recent inflation rates in Ireland, which she has rejected. Fiona recently introduced a new IT platform that would speed up processing race results for the customer. She has told staff to pay for a training course themselves if they don't know how to use it, or they could end up losing their job. Fiona's staff have threatened to take industrial action and held a secret ballot to vote to protest outside the office in 2 weeks time. It's a very busy time for running events, and staff have also told Fiona that they won't work more than their normal hours in their contract, which could leave her short for some longer events that run later in the day.

(A) Using the text to support your answer, discuss **reasons** that someone like Fiona may choose to **become an entrepreneur** (20 marks)

(B) (i) Define the term '**trade dispute**'

(ii) Outline **two** reasons for industrial action that Fiona's staff may have.

(iii) Illustrate **two** types of official industrial action Fiona's staff could take because of the planned changes she wants to make. (30 marks)

(C) Evaluate the **Management Activities** used by Fiona to run **Peak Events 365 Ltd** (30 marks)

**ABQ #2 Unit 1,2,3 – Peak Events 365 Ltd**

(A) Using the text to support your answer, discuss reasons that someone like Fiona may choose to become an entrepreneur (20 marks)

MS: 3 points 2 @ 7m (3+2+2), 1 @ 6m (2+2+2) (State + Explain + Direct Quote)

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## ABQ #2 Unit 1,2,3 – Peak Events 365 Ltd

(B) (i) Define the term 'trade dispute'

(ii) Outline **two** reasons for industrial action that Fiona's staff may have.

(iii) Illustrate **two** types of official industrial action Fiona's staff could take because of the planned changes she wants to make. (30 marks)

**MS:** (i) 6m (3+3); (ii) 2 @ 6m (2+2+2) (State + Explain + Direct Quote); (iii) 2 @ 6m (2+2+2) (State + Explain + Direct Quote)

(i) \_\_\_\_\_

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**ABQ #2 Unit 1,2,3 – Peak Events 365 Ltd**

(C) Evaluate the Management Activities used by Fiona to run **Peak Events 365 Ltd**  
(30 marks)

**MS: 3 @ (3+3+3+1) (State + Explain + Direct Quote + Evaluation)**

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**ABQ #2 Unit 1,2,3 – Peak Events 365 Ltd (Solution)**

(A) Using the text to support your answer, discuss reasons that someone like Fiona may choose to become an entrepreneur (20 marks)

MS: 3 points 2 @ 7m (3+2+2), 1 @ 6m (2+2+2) (State + Explain + Direct Quote)

**Internal Freedom/Independence/Own Boss**

The entrepreneur gains a sense of freedom from being their own boss/control over their own lives./ Live a self directed lifestyle

**"she felt that it was very hard to have input in to how things were done and became frustrated at working there"**

**Risk taker**

Some people are excited from taking risks; they are prepared to take calculated risks in pursuit of business success; seizing opportunities and doing something new.

**"She decided it was time for a change so left teaching."**

**Innovative/Creative**

Having identified a gap in the market the entrepreneur gains satisfaction from doing something new and bringing it to market. / exploiting an opportunity.

**"She had always been big in to sports and when looking around, had realised there was room for an events management company that would run races and provide all the resources and food for events across the country."**

**Profit/Financial return**

The financial gain from running her own business. As business grows earning potential can grow also. Profits can grow larger than wages.

**"She calculated that if she was able to charge a 5% fee on all entries to events she'd be able to double her current wage as a teacher within 3 years."**

**Reached a plateau / no further room for career development**

Someone might not have any other things to achieve in a certain job or profession so may choose to start their own business to try something new / seek a challenge / seek development / career progression.

**"She felt he had reached the limit in how far she could progress in teaching as she did not want to become a principal."**

**ABQ #2 Unit 1,2,3 – Peak Events 365 Ltd**

(B) (i) Define the term 'trade dispute'

(ii) Outline **two** reasons for industrial action that Fiona's staff may have.

(iii) Illustrate **two** types of official industrial action Fiona's staff could take because of the planned changes she wants to make. (30 marks)

**MS:** (i) 6m (3+3); (ii) 2 @ 6m (2+2+2) (State + Explain + Direct Quote); (iii) 2 @ 6m (2+2+2) (State + Explain + Direct Quote)

(i) A Trade Dispute is defined as any **dispute between employers and workers/employees** which is **connected with the employment or non-employment or the terms or conditions of employment** of any person.

**(ii) 1. Disputes over pay**

Workers may launch a variety of different pay claims, e.g. cost of living claim, comparability claim or relativity claim, and if rejected, take industrial action.

*"but she's had requests in from staff to have a 2% increase in their wage to be in line with recent inflation rates in Ireland, which she has rejected."*

**2. Changes in working conditions/new technology introduced**

If there is a change in working conditions or new technology has been introduced, workers may take industrial action if they feel that management haven't provided enough training or pay increases for the changes.

*"She has told staff to pay for a training course themselves if they don't know how to use it, or they could end up losing their job."*

**(iii) 1. Official Strike / Primary Picketing**

Where the employees do not enter their workplace and do not do their work. They protest peacefully outside their workplace, displaying placards.

*"Fiona's staff have threatened to take industrial action and held a secret ballot to vote to protest outside the office in 2 weeks time"*

**2. Overtime ban**

Where workers refuse to do overtime. This can cause major disruption, leading to lost orders and lost sales, especially at peak trading times e.g. a toy shop at Christmas, an airline during holiday time.

*"It's a very busy time for running events, and staff have also told Fiona that they won't work more than their normal hours in their contract, which could leave her short for some longer events that run later in the day."*

**Not acceptable as there was no link in the ABQ text to support it:**

**Secondary Picketing, as it doesn't mention another employer frustrating Wildcat Strike – not an official method so not acceptable**

## ABQ #2 Unit 1,2,3 – Peak Events 365 Ltd

(C) Evaluate the Management Activities used by Fiona to run **Peak Events 365 Ltd**  
(30 marks)

MS: 3 @ (3+3+3+1) (State + Explain + Direct Quote + Evaluation)

No

### Planning

Planning is the setting down of specific goals and objectives and the putting in place of strategies that allow you to achieve the stated goals and objectives of the business. It gives a business focus and can motivate staff.

E.g. A contingency plan gives a business a back up plan for emergencies.

**"She has now asked staff to do a check of estimated numbers for each event, and to bring at least 10% extra of what each participant gets, above what they think will be the amount of people that show up."**

Or

**"Fiona's website can get very popular at peak times, like when a big race is about to open for entries, so she has worked with his IT team to have a plan in place for if the website crashes from too much traffic to the site."**

Evaluation required

### Organising

Organising is the process of combining human and physical resources in to an organised structure to achieve a goal.

Good organisation should result in more efficiency and making the best use of resources.

Chain of command/Span of control/delegation mentioned...

A **matrix structure** is a team-based structure which allows for projects to be undertaken by a cross section of employees from several different departments.

**"She also recently decided to arrange her staff in to teams where a team leader would run different projects with staff from each department."**

Or

A **functional structure** divides the business into its main functions and groups employees of similar skill sets together in departments.

**"Fiona has organised her staff in to three separate departments to run her business."**

Evaluation required

### Controlling

Controlling involves measuring the deviations from planned performance and taking action to correct them.

Areas for control include Stock Control, Quality Control, Financial (budgetary) Control and Credit Control.

E.g. Creating a cash-flow forecast/budget to have some Financial Control

E.g. Doing regular stock takes to improve Stock Control

E.g. Achieving a Quality Certificate/Mark e.g. ISO9001

**"At some races, too many participants have shown and there haven't been enough race numbers or food to feed them after their events."**

**Or**

**"She has also noted that in some months of the year there aren't many events, which means revenue is low, so she wants to make a plan of future spending and revenue for the next few months."**

**Evaluation required (control must be a negative evaluation – she has low quality control and financial/budgetary control)**