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

- (i) A Sole Trader business **has continuity of existence / is affected by the death of the owner.**
- (ii) The shares of a PLC **can be quoted on the stock exchange/cannot be quoted on the stock exchange.**
- (iii) In a Franchise agreement, a fee is paid to the **franchisee / franchiser.**
- (iv) In a Co-operative, the voting rights of members **depend on their share ownership / are equal.**
- (v) A Partnership **is a separate legal entity/ is not a separate legal entity.**

2

8. Column 1 is a list of *Business Organisations*. Column 2 is a list of *possible explanations* of these business organisations.

(One explanation does not refer to any of the business organisations listed)

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

1	2	3	4	5

Column 1 – Business Organisations	Column 2 – Explanations
1. Public Limited Company (PLC)	A. Has unlimited liability.
2. Franchise	B. Is owned by between two and twenty people generally, and is common in professions such as the accountancy and the legal professions.
3. Co-operative	C. Owned, financed and controlled by the Government.
4. Sole Trader	D. A licence granted by a business to another to sell its products or services in return for a fee.
5. State-owned enterprise	E. Shares are quoted/traded on the Stock Exchange.
	F. Democratically controlled and jointly owned by its members.

1. Outline **two** characteristics of a private limited company:

(i) _____

(ii) _____

4. Write *True* or *False* after each of these statements.

	Sentence	True or False
1.	Batch Production is used when making a single, one off, unique product.	
2.	In a Hire Purchase agreement legal ownership of the good transfers to the buyer when the first installment is made.	
3.	A Cash Flow deficit can be addressed by negotiating a shorter period of credit with debtors.	
4.	A sole trader is an ownership structure that benefits from limited liability.	
5.	When a company's equity capital is greater than its debt capital it has low gearing.	

8. Write *True* or *False* after each of these sentences.

	Sentence	True or False
1.	The role of the IDA is to attract foreign direct investment into Ireland.	
2.	Privatisation is the transfer of ownership from the private sector to the government owned public sector.	
3.	A code of ethics is a set of moral rules clarifying expected behavior of individuals in business.	
4.	An environmentally conscious business uses clean production processes and packaging which can be recycled.	
5.	An increase in the value of the euro € against the US dollar \$ is good for Irish exporters to the US.	

1. **Column 1** is a list of business terms. **Column 2** is a list of possible explanations for these terms. (*One explanation does not refer to any of the terms.*)

Column 1 - Terms	Column 2 - Explanations
1. Arbitration	A. Protection against an event that might happen
2. Agenda	B. A review of an employee's job performance
3. Assurance	C. One enterprise purchases another enterprise
4. Acquisition	D. The referral of a dispute to an independent body for settlement
5. Appraisal	E. The details of business to be transacted at a meeting
	F. Protection against an event that will happen

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

1.	2.	3.	4.	5.

5. (a) Explain the term 'privatisation':

- (b) Illustrate its impact on the development of the Irish economy:

6. Explain the concept of 'limited liability'.

9. Define Deregulation:

(B) Analyse the benefits **and** drawbacks of franchising as a business start-up option for a potential franchisee. (20 marks)

(A) Outline the advantages of a private limited company as a form of business ownership for a start-up business. (20 marks)

(A) Discuss the opportunities **and** challenges of *Partnership* as a form of business ownership. (20 marks)

(B) Outline the role of the Irish Government in encouraging **and** in regulating business in Ireland. (20 marks)

(C) Discuss current trends affecting businesses in the services sector of the Irish economy. Provide examples to support your answer. (20 marks)

(60 marks)

(A) Discuss *Co-operatives* **and** *Private Limited Companies* as forms of business ownership, using the following headings: *Formation; Liability; Finance; Control* (25 marks)

14

- (B) Describe the steps involved in the formation of a '*Private Limited Company*'. (20 marks)

15

- (B) Outline the reasons why a business may change its organisational structure from a '*Sole Trader*' to a '*Private Limited Company*'. (20 marks)

16

- (A) Distinguish between a Sole Trader and a Partnership as a form of business organisation. Use an example of each in your answer. (15 marks)

17

- (C) Explain why you would recommend a private Limited Company as a type of business organisation for a new business venture. (20 marks)

18

- (B) Explain, using examples, the impact of Transnational companies in Ireland. (20 marks)

19

Business and community activities and structures must change and adapt to meet new challenges. The planned interaction between business, the local community, government agencies and society is the foundation on which the success of all sectors is based.

- (A) Contrast Business Alliances and Franchising as different types of business organisations. Use examples to illustrate your answer. (30 marks)

20

Business activities do not operate in a vacuum. It is important to understand the interaction between the various types of business organisations with the local community and the role of the government and society.

- (A) Contrast the importance of transnational and state owned companies as forms of business organisation in Ireland. (30 marks)

Businesses, community organisations and various economic variables influence the wider economic system in Ireland. The economic variables sometimes determine both the choice of business organisation that is set up and the degree of success or failure of community organisations.

- (A) Contrast a Private Limited Company with a Public Limited Company as a form of Business Organisation. (20 marks)

