

## First Year Summer Exam Revision

### Resources 1.1 & 1.3

- Distinguish between a **Need and a Want**
- **Opportunity cost** is defined as.....
  - Give an **example** to explain it
- Identify the difference between being financially **dependent** and financially **independent** with regards to the **financial life cycle**
- State financial resources and financial needs at 0-22, 22 – 65, 65 on.....

### Income & Expenditure 1.2

- Define **Regular Income**
  - List sources of regular income for an employed person, unemployed person, OAP, student
- Define **Irregular income**
  - List some examples of irregular income for an employed person
- What is **overtime**?
- What is a **dividend**?
- What is **interest**?
- What is a **tax refund**?
- Define **Benefit in Kind**
  - List some examples of **Benefits in Kind**
- **Impulse buying** is...
- **Fixed expenditure** is defined as....
- **Irregular expenditure** is defined as....
- **Discretionary expenditure** is defined as....

### Budgeting 1.12

- **Net cash** is defined as.....
- State four reasons why families **should prepare a budget**
- What are **the problems** with **having a budget deficit**?
  - How might it **be resolved/avoided**?
- You must be complete a budget for a family
  - What do I do if savings appear in a budget?
  - How do I calculate Net Cash?
  - What **two places** do I put **opening cash**?
  - How do I calculate **closing cash**?

(i) Compile the budget for Cara Fearon based on the information given below.

- Cara earns a monthly salary of €3,100 and expects to earn a bonus of €2,000 in September.
- She will receive a dividend on shares of €800 in November.
- Her house mortgage of €1,250 decreases by 2% from 1 October.
- House insurance is €600 per year and is payable monthly.
- Health insurance is €110 per month.
- Groceries are €480 per month, except in December when they will be an additional €400.
- Car running costs are expected to be €85 per month, except in November when a car service will cost an additional €200.
- Household charges will amount to €200 per month.
- Presents will cost €60 in September and €850 in December.
- Entertainment costs are expected to be €300 per month.
- A holiday in September will cost €1,250.

| Cara Fearon          | Sept | Oct | Nov | Dec | TOTAL |
|----------------------|------|-----|-----|-----|-------|
| PLANNED INCOME       |      |     |     |     |       |
| Cara Fearon – salary |      |     |     |     |       |
| Dividend on shares   |      |     |     |     |       |
| TOTAL INCOME         |      |     |     |     |       |
| PLANNED EXPENDITURE  |      |     |     |     |       |
| Fixed                |      |     |     |     |       |
| House mortgage       |      |     |     |     |       |
| House insurance      |      |     |     |     |       |
| Health insurance     |      |     |     |     |       |
| Subtotal             |      |     |     |     |       |
| Irregular            |      |     |     |     |       |
| Groceries            |      |     |     |     |       |
| Car running costs    |      |     |     |     |       |
| Household charges    |      |     |     |     |       |
| Subtotal             |      |     |     |     |       |
| Discretionary        |      |     |     |     |       |
| Presents             |      |     |     |     |       |
| Entertainment        |      |     |     |     |       |
| Holiday              |      |     |     |     |       |
| Subtotal             |      |     |     |     |       |
| TOTAL EXPENDITURE    |      |     |     |     |       |
| Net cash             |      |     |     |     |       |
| Opening cash         | 200  |     |     |     |       |
| Closing cash         |      |     |     |     |       |

## Being a Consumer 1.7 & 1.8

- What are the **characteristics/behaviours** of a **good consumer**?
- What **responsibilities** do we have as consumers?
- What does the **Sale of Goods and Supply of Services Act 1980** say about **goods**?
- What does the **Sale of Goods and Supply of Services Act 1980** say about **services**?
- Under the **Sale of Goods and Supply of Services Act 1980** the **contract of sale** is between....
- What **forms of redress** are available to a consumer under **Sale of Goods and Supply of Services Act 1980**?
- How does the **Consumer Protection Act 2007** protect consumers?
  - What does it say about goods/services/prices?
- What is the role of the **CCPC**?
- Explain the **Small Claims procedure**
- What is the role of the **Ombudsman**?
- What is the role of the **ASAI**?
- What is **competition between businesses** good for consumers?
- What is a **false economy**?
  - Give an **example**

## Ethics & Sustainability 1.9 & 1.10

- What is the study of Ethics about?
- How would you define ethical business practice?
- Why is there a difference of opinion when it comes to what people deem to be “ethical behaviour”?
- What is Corporate Social Responsibility?
- Give examples CSR activities from company you know
- What is sustainability?
- How could our school become a more sustainable place?
- Give examples of how businesses could behave in a more sustainable manner.
- Explain what is meant by the concept of **globalisation**
- What are the **benefits** and **drawbacks of globalisation** for **Irish consumers**?

## Enterprise 2.1 & 2.2

- Define what is meant by the action of “Enterprise”
- State five characteristics of entrepreneurs
- State five skills entrepreneurs need to run their own business
- Explain, with an example, what is meant by a “social enterprise”
  - Why does this benefit communities?
- In what ways do you see “Enterprise” in the school
- Give examples of how the government has displayed “Enterprise” for the good of Irish citizens
- Give examples of how people can be enterprising in their homes

## **Saving & Borrowing 1.5**

- Explain the reasons for household saving
- Explain the factors that affect one's decision about where to save
- Understand what DIRT is and its purpose
- Identify the types of institutions where one can save money
- Explain the following banking terms
  - Standing order
  - Direct Debit
  - Credit Transfer
  - Bank Draft
  - ATM
  - Credit Card
  - Debit Card
- Explain what "paypath" is and its benefits to employers and employees
- Identify the requirements for opening a bank account
- Distinguish between a current account and a deposit account
- Explain what an overdraft is and how it might arise
- Do simple and compound interest calculations on savings
- Explain the reasons for household borrowing
- Explain the factors one should consider before deciding to borrow
- Illustrate what is meant by the term "collateral"
- Explain the factors a bank would consider before deciding to lend to a person
- Identify the types of institutions where one can borrow money
- State the rights of a borrower
- Explain the following types of borrowing and the uses, advantages and disadvantages of each
  - Overdraft
  - Credit Card
  - Medium Term Loan
  - Leasing
  - Hire Purchase
  - Mortgage
- Calculate flat rate and APR interest repayments

## Recording Income & Expenditure 1.13

Why do household **record their income and expenditure**

- What is the **difference** between a simple **cash book** and an “**analysed**” **cash book**
- Explain the following accounting terms
  - o DR
  - o CR
  - o c/d
  - o b/d





### Question 3

#### Question 8

Robert and Maria McNamara have prepared a cash account for their spending for the first week of April 2018. Balance the cash book below at the end of the week by completing the shaded boxes.

| DR    |                | Cash Account |       |             | CR   |  |
|-------|----------------|--------------|-------|-------------|------|--|
| Date  | Details        | Bank         | Date  | Details     | Bank |  |
| April |                | €            | April |             | €    |  |
| 1     | Balance b/d    | 360          | 2     | Groceries   | 95   |  |
| 4     | Wages – Robert | 480          | 3     | Clothes     | 120  |  |
| 6     | Wages – Maria  | 560          | 4     | Mortgage    | 790  |  |
|       |                |              | 5     | Petrol      | 65   |  |
|       |                |              | 6     | Cinema      | 20   |  |
|       |                |              | 7     | Balance c/d |      |  |
|       |                |              |       |             |      |  |
| 8     | Balance b/d    |              |       |             |      |  |

(ii) Explain what is meant by the opening balance on 1 June 2018.

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Explain what is meant by the closing balance on 30 June 2018.

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