2010

1. **This is a Household Budget Question.**

Answer all parts of this question:

(A) On *page 10 of Section A* is a partially completed summary of the Devine household budget for the months February to May 2010. You are required to complete this budget by entering the appropriate figures into the **'Total'** column and the missing figures for **'Total Outgoings, Net Cash, Opening Cash and Closing Cash'**.

On 1 February 2010 the Devine household had cash in hand of €548.

(11)

(B) Answer the following questions in the spaces provided *on pages 10 & 11 of Section A*.

(i) What is a budget?

(ii) Outline **two** reasons for preparing a budget.

(iii) Name any month the Devine household plan to have a deficit **and** the amount of the deficit.

(iv) Suggest **one** way of overcoming this deficit.

(v) Did the Devine household plan to live within their income for the period February to May 2010? Give **one** reason for your answer.

(vi) Suggest **one** place the Devine household could put their savings. Give **one** reason for your answer.

(20)

(C) On 14 February 2010 Andy Devine paid his life assurance premium €619 to Park Insurance Ltd by cheque. As the cheque was sent by post he decided to make it as safe as possible.

Complete the Cheque and Counterfoil on *page 12 of Section A*.

(9)

(40 marks)

For use in answering Section B – Question 1(A and B)

(A)

	Feb	Mar	Apr	May	Total for period Feb-May	For Office Use Only	
	€	€	€	€	€		
TOTAL INCOME	2,850	2,850	2,625	2,725			
TOTAL EXPENDITURE	2,425	3,025	2,968	2,167			
Savings	300	300	300	300			
(Total Expenditure and Savings) **TOTAL OUTGOINGS**	2,725						
Net Cash							
Opening Cash	548						
Closing Cash							

(B)

(i) What is a budget?	For Office Use Only	
Answer:		

(ii) Outline **two** reasons for preparing a budget.	For Office Use Only	
Reason 1:		
Reason 2:		

For use in answering Section B – Question 1(B) Contd.

(iii)	Name any month the Devine household plan to have a deficit **and** the amount of the deficit.	For Office Use Only	
	Month: **Amount: €**		

(iv)	Suggest **one** way of overcoming this deficit.	For Office Use Only	
	Answer:		

(v)	Did the Devine household plan to live within their income for the period February to May 2010?	YES		*(Please tick appropriate box.)*	For Office Use Only	
		NO				
	Give **one** reason for your answer.					
	Reason:					

(vi)	Suggest **one** place the Devine household could put their savings. Give **one** reason for your answer.	For Office Use Only	
	Answer:		
	Reason:		

For use in answering Section B – Question 1(C)

Date		**AIB**	93-63-32
To		KILLARNEY, CO. KERRY	Date
Balance b/f	€ 849.00		
Lodgement		Pay	or order **euro euro euro**
Total			€
This Cheque			ANDY DEVINE
Balance c/f			
2614		**2614** **936332** **5678210**	

2009

1. This is a Household Budget Question.

Answer all parts of this question:

When the Casey household checked their Analysed Cash Book at the end of December 2008, they discovered that their actual income and expenditure for the 12 months differed from the budgeted figures (contained in the Budget Comparison Statement *on page 8 of Section A*) due to the following:

- The salaries of the Casey household decreased by 26%.
- There are two children in the household. The monthly child benefit increased by €15 per child from 1 March 2008.
- The actual interest received for the year was €260 less than budgeted.
- The Casey household received €4,200 from the sale of their second car.
- Mortgage payments increased from €850 to €955 per month from 1 July 2008 and then decreased by €75 per month from 1 October 2008.
- Car insurance was €210 less than budgeted.
- The Casey household installed smoke alarms, so their house insurance was 5% less than budgeted.
- Household costs were 12½ % greater than budgeted.
- Car costs were €25 per month less than budgeted.
- Clothing and footwear costs were €150 less than budgeted.
- Light and heat costs were 22% greater than budgeted.
- Health insurance was 13% greater than budgeted, due to an increase in charges by their insurance company.
- Entertainment costs averaged €150 per month except for the three months of April, August and December, which averaged €300.
- Due to a special birthday, presents cost an additional €300.
- Holiday plans were changed and cost €2,600 less than budgeted.

For use with Section B - Question 1(A)

Budget Comparison Statement for the Casey household for the year 2008

INCOME	Budget Jan – Dec €	Actual €	Difference €
Salaries	52,000		
Child benefit	3,600		
Interest	540		
Other			
TOTAL INCOME	56,140		
EXPENDITURE			
Fixed			
Mortgage	10,200		
Car insurance	670		
House insurance	580		
Subtotal	11,450		
Irregular			
Household costs	8,880		
Car costs	1,640		
Clothing and footwear costs	1,900		
Light and heat costs	3,100		
Health insurance	1,600		
Subtotal	17,120		
Discretionary			
Entertainment costs	3,000		
Presents	1,000		
Holidays	7,500		
Subtotal	11,500		
TOTAL EXPENDITURE	40,070		
Net Cash	16,070		
Opening Cash	2,225		
Closing Cash	18,295		

***Note**: Do not complete the shaded boxes*

For use in answering Section B – Question 1(B and C)

1. (B)

(i)	How much had the Casey household budgeted to save during 2008?	**Answer:**	€
(ii)	What was the budgeted closing cash at the end of 2008?	**Answer:**	€
(iii)	What was the actual closing cash at the end of 2008?	**Answer:**	€
(iv)	State by how much the Casey household's Actual Total Expenditure differed from their Budgeted Total Expenditure.	**Answer:**	€

(v) Explain **one** possible reason why the health insurance company increased its charges.

_____

_____

_____

1. (C)

(i) Outline **two** pieces of financial advice you would give the Casey household in light of the 'Actual' 2008 Budget.

1 _____

_____

2 _____

_____

(ii) Give **two** reasons why the Casey household would prepare a budget.

1 _____

_____

2 _____

_____

2009 DEB

1. This is a Household Account and Budget Question.

Answer all parts of this question:

(A) On *page 8 of Section A* is a partially completed Budget form for the Cowell household for 2009. You are required to complete this form by filling in the figures for the 'Estimate April to December' column, and the 'Total for year' column. The following information should be taken into account:

- Colin Cowell is due a salary increase of 10% from 1 October.
- Lorna Cowell expects to earn an extra €100 in September and will get a Christmas bonus of €320 in December.
- The Cowells have one child. They expect child benefit to remain at the same level each month.
- The house mortgage is expected to increase by €45 per month from 1 July.
- Car insurance is payable monthly and will continue as per the first 3 months of the year.
- Health insurance will increase by €10 per month from 1 August.
- Household expenses are expected to remain the same each month until August and to increase by €55 a month beginning in September with an extra €175 in December.
- ESB for the 12 months (Jan. – Dec.) is estimated at €680.
- The telephone bill is paid every two months and it is estimated that the cost will remain at the same level as at the beginning of the year.
- Car running costs are expected to remain at €65 a month with an additional car service cost of €110 in May and an extra €80 for new tyres in November.
- Christmas presents are expected to cost €300 in December.
- Entertainment is estimated to increase by €20 per month from June, except in December when it is estimated to cost €170.
- A family holiday in July is expected to cost €2,000. (30)

(B) Answer the following questions in the spaces provided *on page 9 of Section A*:

(i) How much money does the Cowell household intend to save in 2009?

(ii) Did the Cowell household have a surplus, deficit or balanced budget in **each** of the months, January to March?

(iii) What financial advice would you offer the Cowells on the evidence of this budget? (10)

(40 marks)

For use with Section B – Question 1(A)

Planned Budget for the Cowell Household for the year 2009

	Jan	Feb	Mar	Total Jan-Mar	Estimate Apr-Dec	Total for Year
	€	€	€	€	€	€
PLANNED INCOME						
Colin Cowell - Salary	950	950	950	2,850		
Lorna Cowell - Salary	750	750	750	2,250		
Child Benefit	70	70	70	210		
TOTAL INCOME	1,770	1,770	1,770	5,310		
PLANNED EXPENDITURE						
Fixed						
House Mortgage	650	650	650	1,950		
Annual Car Tax	360			360		
Car Insurance	40	40	40	120		
Health Insurance	35	35	35	105		
Subtotal	1,085	725	725	2,535		
Irregular						
Household Expenses	420	420	420	1,260		
Light and Heat	110		130	240		
Telephone		85		85		
Car Running Costs	65	65	65	195		
Subtotal	595	570	615	1,780		
Discretionary						
Presents						
Entertainment	100	100	100	300		
Holiday						
Subtotal	100	100	100	300		
TOTAL EXPENDITURE	1,780	1,395	1,440	4,615		
Net Cash	(10)	375	330	695		
Opening Cash	120	110	485	120		
Closing Cash	110	485	815	815		

For use with Section B – Question 1(B)

(B) **(i)** How much money does the Cowell household intend to save in 2009?

(ii) Did the Cowell household have a surplus, deficit or balanced budget in **each** of the months, January to March?

January	
February	
March	

(iii) What financial advice would you offer the Cowells on the evidence of this budget?

2008

1. **This is a Household Budget Question.**

Answer all parts of this question:

When the Burke household checked their Analysed Cash Book at the end of December 2007, they discovered that their actual income and expenditure for the 12 months differed from the budgeted figures (contained in the Budget Comparison Statement *on page 8 of Section A*) due to the following:

- The salaries of the Burke household increased by 4%.
- There are two children in the household. The monthly child benefit increased by €20 per child from 1 September 2007.
- The actual interest received for the year was €180.
- The Burke household received €400 from the sale of old furniture.
- Mortgage payments increased by €15 per month from 1 March 2007.
- The Burke household have a no claims bonus, so their car insurance was 15% less than budgeted.
- The house insurance was €325 for the year.
- Household costs were 7.5% greater than budgeted.
- Car costs were €375 greater than budgeted.
- Clothing and footwear costs were €300 less than budgeted.
- Light and heat costs were 6% less than budgeted.
- Medical expenses of €2,500 were incurred due to a serious illness to one of the children.
- Entertainment costs averaged €100 per month except for the three months of June, July and December, which averaged €170.
- Due to a wedding, presents cost an additional €190.
- Holidays were cancelled due to child's illness.

For use with Section B - Question 1(A)

Budget Comparison Statement for the Burke household for the year 2007

INCOME	**Budget Jan – Dec €**	**Actual €**	**Difference €**
Salaries	21,000		
Child benefit	720		
Interest	250		
Other			
TOTAL INCOME	21,970		
EXPENDITURE			
Fixed			
Mortgage	4,080		
Car insurance	560		
House insurance	235		
Subtotal	4,875		
Irregular			
Household costs	7,800		
Car costs	1,550		
Clothing and footwear costs	2,000		
Light and heat costs	1,600		
Medical expenses	400		
Subtotal	13,350		
Discretionary			
Entertainment costs	1,560		
Presents	300		
Holidays	1,800		
Subtotal	3,660		
TOTAL EXPENDITURE	21,885		
Net Cash	85		
Opening Cash	1,400		
Closing Cash	1,485		

***Note**: Do not complete the shaded boxes*

For use in answering Section B – Question 1(B and C)

1. (B)

(i)	What was the budgeted closing cash at the end of 2007?	**Answer:**	€
(ii)	How much had the Burke household budgeted to save during 2007?	**Answer:**	€
(iii)	What was the actual closing cash at the end of 2007?	**Answer:**	€
(iv)	State by how much the Burke household exceeded their budgeted total expenditure.	**Answer:**	€

(v) Explain **one** possible reason why the 'Actual' interest was less than the 'Budget' interest.

_____

_____

_____

1. (C)

(i) Explain the term 'discretionary expenditure'.

_____

_____

_____

(ii) Explain the term 'health insurance'.

_____

_____

_____

(iii) Give **two** examples of companies offering health insurance to the public in Ireland.

1 _____

2 _____

2007

1. **This is a Household Budget Question.**

Answer all parts of this question:

(A) On *page 9 of Section A* is an Original Budget and a Revised Budget form for the Galvin household from July to September 2007. After preparing the Original Budget, Mr Galvin changed jobs and his salary increased. However, Ms Galvin lost her job in the local factory after it closed down in June. The Galvin household decided to revise their Budget due to the changed circumstances.

You are required to complete the Revised Budget, taking the following into account:

- Mr Galvin's annual salary will be €25,800 net payable monthly. He also expects to receive a bonus of €1,000 net in September.
- Ms Galvin will receive €660 net monthly in unemployment benefit.
- The Galvins will sell one of their two cars and expect to receive €6,800 for it in August.
- Mortgage repayments will increase by 8% from 1 September 2007.
- The Galvin household will make one loan repayment in July and will repay the balance of the loan, €3,500, in August.
- Car insurance will reduce by €30 per month from 1 August 2007.
- Household costs will reduce by 12% per month from 1 July 2007.
- Car costs will reduce to €70 per month from 1 August 2007.
- Entertainment costs will be reduced by 50%.
- Due to their changed circumstances, the holiday planned for September will be postponed.
- All other income and expenditure will remain the same.

(28)

(B) **(i)** In the Original Budget, name a month in which planned income is greater than planned expenditure. *(Answer in the space provided on page 10 of Section A.)*

(ii) In the Original Budget, by how much did the Galvin household expect to overspend in the three months? *(Answer on page 10 of Section A.)*

(iii) Give **one** reason why the repayments on the mortgage might increase. *(Answer on page 10 of Section A.)*

(iv) Is the Revised Budget a good one?
Give **two** reasons for your answer. *(Answer on page 10 of Section A.)*

(12)

(40 marks)

For use with Section B – Question 1 (A)

GALVIN HOUSEHOLD	ORIGINAL BUDGET				REVISED BUDGET			
	JULY	AUG	SEPT	TOTAL	JULY	AUG	SEPT	TOTAL
PLANNED INCOME	€	€	€	€	€	€	€	€
Mr Galvin – Salary	1,500	1,500	1,500	4,500				
Ms Galvin	1,120	1,120	1,120	3,360				
Child Benefit	160	160	160	480				
Other								
TOTAL INCOME	2,780	2,780	2,780	8,340				
PLANNED EXPENDITURE								
Fixed								
Mortgage	800	800	800	2,400				
Loan Repayments	400	400	400	1,200				
Car Insurance	65	65	65	195				
Subtotal	1,265	1,265	1,265	3,795				
Irregular								
Household Costs	750	750	750	2,250				
Car Costs	150	150	150	450				
Light & Heat Costs	245		190	435				
Telephone Costs	50	50	140	240				
Subtotal	1,195	950	1,230	3,375				
Discretionary								
Entertainment Costs	200	200	200	600				
Presents	300		250	550				
Holiday			5,000	5,000				
Subtotal	500	200	5,450	6,150				
TOTAL EXPENDITURE	2,960	2,415	7,945	13,320				
Net Cash	(180)	365	(5,165)	(4,980)				
Opening Cash	500	320	685	500				
Closing Cash	320	685	(4,480)	(4,480)				

For use in answering Section B – Question 1 (B)

		For Office Use Only	
(i)	In the Original Budget, name a month in which planned income is greater than planned expenditure.		
	Answer:		

(ii)	In the Original Budget, by how much did the Galvin household expect to overspend in the three months?		
	Answer: **€**		

(iii)	Give **one** reason why the repayments on the mortgage might increase.		
	Reason:		

(iv)	Is the Revised Budget a good one?	YES		*(Please tick appropriate box.)*		
		NO				
	Give **two** reasons for your answer.					
	Reason 1:					
	Reason 2:					

1. **This is a Household Budget Question.** 2006

Answer all parts of this question:

(A) On *page 9 of Section A* is a partially completed Budget form for the Maguire household for 2007. You are required to complete this form by filling in the figures for the 'Estimate April to December' column, and the 'Total for year' column. The following information should be taken into account:

- Tom expects to get a promotion in July and this will result in a rise of 30% in salary from 1 July.
- Breda expects to earn an extra €350 for overtime in August and will get a Christmas bonus of €500 in December.
- The Maguire household expect to receive €2,000 in dividends in May.
- The house mortgage will increase by €27 per month from 1 June.
- The car loan will be fully paid off following the August payment.
- House insurance is payable monthly and will decrease by 20% from 1 June.
- Household costs will remain at the same level, except for the month of August, when they will decrease by 50%.
- Light and heat for the 12 months (January – December 2007) is expected to be €850.
- Mobile phone costs are estimated to be €70 per month from 1 April and the house phone costs to be €100 every second month from 1 May.
- Car running costs are expected to remain at the same level each month.
- Tom and Breda plan to go to France on a holiday which will cost €2,500. The balance must be paid in July.
- The household expect to spend €150 on presents in July and another €450 in December.
- There is no further household decoration planned for 2007. (30)

(B) Answer the following questions in the spaces provided on *page 10 of Section A*:

(i) Explain the term 'Dividends' in the Maguire Household Budget.

(ii) At the end of March 2007, what will the expected closing cash balance be for the Maguire household?

(iii) The expected closing cash balance has changed from February to March. Explain **two** major reasons for this change.

(iv) Identify **one** method of dealing with this temporary situation at the end of March.

(10)

(40 marks)

For use with SECTION B - Question 1

(A) Planned Budget for the Maguire Household

	Jan	Feb	Mar	Total Jan-Mar	Estimate Apr-Dec	Total for year Jan-Dec
PLANNED INCOME	€	€	€	€	€	€
Tom Maguire salary	900	900	900	2,700		
Breda Maguire salary	750	750	750	2,250		
Dividends						
TOTAL INCOME	1,650	1,650	1,650	4,950		
PLANNED EXPENDITURE						
Fixed						
Mortgage	550	550	550	1,650		
Car loan	300	300	300	900		
House insurance	25	25	25	75		
Subtotal	875	875	875	2,625		
Irregular						
Household costs	400	400	400	1,200		
Light and heat	90	80	60	230		
Telephone costs	150	70	220	440		
Car running costs	60	60	60	180		
Subtotal	700	610	740	2,050		
Discretionary						
Holiday			500	500		
Presents		50		50		
Household decoration			2,000	2,000		
Subtotal		50	2,500	2,550		
TOTAL EXPENDITURE	1,575	1,535	4,115	7,225		
Net Cash	75	115	(2,465)	(2,275)		
Opening Cash	160	235	350	160		
Closing Cash	235	350	(2,115)	(2,115)		

(B) **(i)** Explain the term 'Dividends' in the Maguire Household Budget.

(ii) At the end of March 2007, what will the expected closing cash balance be for the Maguire household?

Answer:

(iii) The expected closing cash balance has changed from February to March.
Explain **two** major reasons for this change.

(iv) Identify **one** method of dealing with this temporary situation at the end of March.

SECTION B (160 Marks)

All questions carry equal marks.
Attempt any **FOUR** Questions.
Marks will be awarded for layout and presentation including, where appropriate, folios and dates.
Dates should show the day, month and year.
Calculators may be used.

2005

1. **Answer ALL parts. This is a Household Budget Question.**

When the Hannon family checked their Analysed Cash Book at the end of December 2004, they discovered that their actual income and expenditure for the 12 months differed from the budgeted figures (contained in the Budget Comparison Statement **on page 8 of Section A**) due to the following:

- The salaries of the Hannon family decreased by 5%.
- There are two children in the Hannon family. Child Benefit increased by €15 per child per month.
- Interest and dividends were €135 less than budgeted.
- The Hannon family won €300 in the local sports club lotto.
- Mortgage payments decreased by €27 per month from March 1.
- The Hannon family lost their no claims bonus of €360 on their car insurance due to an accident.
- The TV licence was the same as budgeted.
- Household costs were 7½% greater than budgeted.
- Car costs were €650 greater than budgeted.
- Light and heat costs were 6% less than budgeted.
- Medical expenses averaged €30 per month for the year.
- Entertainment costs averaged €100 per month except for the three months of June, August and December, which averaged €210.
- Due to a wedding, presents cost an additional €150.
- The family decided to take a weekend break which cost €600, instead of their budgeted holiday.

For use with Section B – Question 1(A)

Budget Comparison Statement for the Hannon family for the year 2004

INCOME	**Budget Jan – Dec €**	**Actual €**	**Difference €**
Salaries	30,000		
Child Benefit	1,200		
Interest & Dividends	680		
Other			
TOTAL INCOME	31,880		
Expenditure			
Fixed			
Mortgage	4,950		
Car Insurance	600		
TV Licence	152		
Sub-Total	5,702		
Irregular			
Household Costs	17,040		
Car Costs	900		
Light & Heat Costs	2,150		
Medical Expenses	450		
Sub-Total	20,540		
Discretionary			
Entertainment Costs	1,320		
Presents	390		
Holidays	1,100		
Sub-Total	2,810		
TOTAL EXPENDITURE	29,052		
Net Cash	2,828		
Opening Cash	400		
Closing Cash	3,228		

***Note**: Do not complete the shaded boxes*

For use in answering Section B – Question 1(B and C)

1. (B)

(i)	How much had the Hannon family budgeted to save during the year 2004?	**Answer:**	**€**
(ii)	What was their actual closing cash balance at the end of the year 2004?	**Answer:**	**€**
(iii)	State by how much the Hannon family exceeded their budgeted expenditure.	**Answer:**	**€**

(iv) Explain the term '**no claims bonus**'.

_____

_____

_____

_____

1. (C)

(i) Outline **two** reasons why the Hannon family would prepare a budget.

1. _____

2. _____

(ii) If the Hannon family had a deficit for the year 2004, outline **two** changes which they could make in their household budget.

1. _____

_____

2. _____

_____

SECTION B (160 marks)

2004

All questions carry equal marks.
Attempt any **FOUR** questions.
Marks will be awarded for layout and presentation including, where appropriate, Folios and Dates showing the day, month and year. Calculators may be used.

1. **Answer ALL sections. This is a Household Budget Question.**

A. At the end of **Section A page 7** is an original Budget and a revised Budget form for the O'Mahony family from July to September 2003. After preparing the Budget for July to September 2003 Mr. O'Mahony was informed that he would be getting a promotion in his job. This would result in an increase in the family income starting in July. The O'Mahony family decided to revise their Budget in view of the changed circumstances.

You are required to complete the revised Budget form, taking the following into account:

- Mr. O'Mahony's annual salary will be €28,560 net payable monthly.
- Ms. O'Mahony decided to go job sharing which would result in a 30% reduction in her net salary from the beginning of July.
- The O'Mahony family decided to buy a second car by getting another loan. The total cost of this new loan including interest will be €12,000 repayable monthly over 4 years beginning in August.
- The insurance on the new car will cost €450 for the year payable in full in July.
- Household costs will be reduced by €80 per month immediately.
- Car running costs will increase by 40% per month beginning in July.
- They decided to take a holiday in July at a cost of €1,600.
- They intend to postpone the house decorating until November.
- All other income and expenses are to remain the same.

(30)

B. Answer the following questions in the space provided at the end of **Section A, page 7.**

(i) In the original Budget name a month in which planned income is greater than planned expenditure.

(ii) Comment on the O'Mahony's finances before July.

(iii) Is their revised budget a good one for their new circumstances? Give reasons for your answer.

(10)

(40 marks)

For use in answering Section B Question 1(A).

	ORIGINAL BUDGET				REVISED BUDGET			
	JULY	AUG	SEPT	TOTAL	JULY	AUG	SEPT	TOTAL
INCOME								
Mr. O'Mahony Salary	1,700	1,700	1,700	5,100				
Ms. O'Mahony Salary	800	800	800	2,400				
Child Benefit	40	40	40	120				
Total Income	2,540	2,540	2,540	7,620				
EXPENDITURE								
Fixed								
House Mortgage	500	500	500	1,500				
Car Loan	230	230	230	690				
Car Insurance		510		510				
House Insurance			190	190				
Sub Total	730	1,240	920	2,890				
Irregular								
Household Costs	920	920	920	2,760				
Car Running Costs	115	115	115	345				
Light & Heat		60		60				
Telephone	75		75	150				
Sub Total	1,110	1,095	1,110	3,315				
Discretionary								
Holidays								
Entertainment	200	200	200	600				
Birthdays & Presents	40		40	80				
Household Decoration		175		175				
Sub Total	240	375	240	855				
Total Expenditure	2,080	2,710	2,270	7,060				
Net Cash	460	-170	270	560				
Opening Cash	-100	360	190	-100				
Closing Cash	360	190	460	460				

For use in answering Section B Question 1(B).

(i) In the original budget name a month in which planned income is greater than planned expenditure.

Answer _____

(ii) Comment on the O'Mahony's finances before July.

Answer _____

(iii) Is their revised budget a good one for their new circumstances? Give reasons for your answer.

Answer _____

_____

_____

Coimisiún na Scrúduithe Stáit
State Examinations Commission

JUNIOR CERTIFICATE EXAMINATION, 2003

BUSINESS STUDIES – HIGHER LEVEL – PAPER I
SECTION B
(160 Marks)

WEDNESDAY 11th JUNE 2003 – MORNING, 9.30 to 12.00

All questions carry equal marks. Attempt any **FOUR** questions.
Marks will be awarded for layout and presentation including, where appropriate, Folios and dates showing the day, month and year. Calculators may be used.

1. **Answer A and B. This is a Household Budget Question** 2003

A. At the end of Section A, is a partially completed personal Budget form for the Plunket family for 2003. You are required to complete this form by filling in the figures for the "Estimate April to December" column, and the "Total for year" column. The following information should be taken in account.

- Joseph expects to earn an extra €120 in overtime in October and November and will get a holiday bonus of €400 in June 2003.
- Máire is going job sharing from October 1st and this will result in a 40% reduction in her salary from that date.
- Child benefit will increase to €110 per month from July 1st 2003.
- The house mortgage will be paid off in full following the September payment.
- Car insurance is payable monthly and from September 1st will increase to €50 per month.
- Household expenses will remain at the same level until the end of September and will increase by 10% beginning in October 2003.
- Car running costs are expected to remain at €90 a month with an additional cost of €160 in July for new tyres and a car service cost €130 in November 2003.
- ESB for the 12 months Jan.-Dec. 2003 is estimated at €680.
- The telephone is paid every second month and it is estimated that the cost will remain at the same level as at the beginning of the year.
- A wedding present in May is expected to cost €130 and Christmas presents to cost €280 in December.
- Entertainment will average at €180 per month for the remaining 9 months of the year.
- A family holiday in July is expected to cost €1,500. **(30)**

For use with Question 1(A) in Section B.

Planned Budget for the Plunket household.

	Jan	Feb	Mar	Total Jan-Mar	Estimate Apr-Dec	Total for year Jan-Dec
PLANNED INCOME	€	€	€	€	€	€
Joseph Salary	900	900	900	2,700		
Maire Salary	1,200	1,200	1,200	3,600		
Child Benefit	100	100	100	300		
TOTAL INCOME	2,200	2,200	2,200	6,600		
PLANNED EXPENDITURE						
Fixed						
House Mortgage	735	735	735	2,205		
Car Insurance	40	40	40	120		
Annual Car Tax		315		315		
House Insurance			385	385		
Subtotal	775	1,090	1,160	3,025		
Irregular						
Household Expenses	810	810	810	2,430		
Car Running Costs	90	90	90	270		
Light and Heat Costs	140		120	260		
Telephone		155		155		
Subtotal	1,040	1,055	1,020	3,115		
Discretionary						
Presents	180			180		
Entertainment	150	150	150	450		
Holidays						
Subtotal	330	150	150	630		
TOTAL EXPENDITURE	2,145	2,295	2,330	6,770		
Net Cash	55	(95)	(130)	(170)		
Opening Cash	120	175	80	120		
Closing Cash	175	80	(50)	(50)		

For use with Question 1(B) in Section B.

(i) From **the first three months of the year**, name any month in which they had to borrow and the amount borrowed.

Answer

Month		Amount	€

(ii) Name **two** reasons why a household might make a claim under their house insurance policy.

1. _____

2. _____

AN ROINN OIDEACHAIS AGUS EOLAÍOCHTA

JUNIOR CERTIFICATE EXAMINATION, 2002

BUSINESS STUDIES – HIGHER LEVEL – PAPER I
SECTION B

(160 Marks)

WEDNESDAY, 12 JUNE 2002 – MORNING, 9.30 to 12.00

All questions carry equal marks. Attempt any **FOUR** questions.
Marks will be awarded for layout and presentation including, where appropriate, Folios and dates showing the day, month and year. Calculators may be used.

1. Answer ALL sections. This is a Household Budget Question and Cheque Question.

A. At the end of Section A, Page 8, is a partially completed summary of the O'Leary family budget for the months, January to April. You are required to complete this budget by filling in the figures in the "Total" column and also the missing figures for "Total Outgoings, Net Cash, Opening Cash and Closing Cash".
On 1 January, the O'Leary family had cash in hand of €127. **(11)**

B. Answer the following questions in the space provided at the end of Section A, page 8.

(i) What is a Budget?

(ii) What information can be got from preparing a budget?

(iii) Name any month in which the O'Leary family plan to borrow/overdraw and the amount of the borrowing.

(iv) Name any month in which the O'Leary family plan to have a deficit and the amount of the deficit.

(v) Did the O'Leary family plan to live within their income for the period January to April? Give a reason for your answer. **(15)**

C. Answer the following question in the space provided at the end of Section A, page 9.

The O'Learys own a car. Show, by ticking (✓) the appropriate box, whether the following expenses would be classified as Fixed, Irregular or Discretionary in their budget.

Car Repairs, Road Tax, New Seat Covers, Petrol. **(4)**

D. On 2 February 2002, Fiona O'Leary paid their house insurance €386 to Guardian Insurance Ltd. by cheque. Since the cheque was sent by post, she decided to make it as safe as possible.
Complete the cheque and counterfoil of 2 February 2002, using the blank document supplied at the end of Section A, page 9. Make this cheque as safe as possible. **(10)**

(40 marks)

For use with Question 1(A) in Section B.

The O'Leary Family Budget Summary, January to April.

	Jan.	Feb.	March	April	Total
Total Income	1,250	1,250	1,350	1,375	
Total Expenditure	875	1,438	1,421	1,079	
Savings	100	100	100	100	
[Expenditure plus savings] **Total Outgoings**	975				
Net Cash					
Opening Cash					
Closing Cash					

For use with Question 1(B) in Section B.

(i) What is a Budget?

Answer _____

(ii) What information can be got from preparing a budget?

Answer _____

(iii) Name any month in which the O'Leary family plan to borrow/overdraw and the amount of the borrowing.

Answer _____

(iv) Name any month in which the O'Leary family plan to have a deficit and the amount of the deficit.

Answer _____

(v) Did the O'Leary family plan to live within their income for the period January to April?
Give a reason for your answer.

Answer _____

_____

For use with Question 1(C) in Section B.

Tick (✓) the appropriate box to indicate whether each of the car expenses listed below is Fixed, Irregular or Discretionary.

Car Expense	Fixed	Irregular	Discretionary
Repairs			
Road Tax			
New Seat Covers			
Petrol			

Document for use in answering Question 1(D) in Section B.

Date _____

Pay _____

Bal.
Bt. Fwd €227-

€

Other
items _____

Bal.
Cd. Fwd. _____

002192

Ulster Bank

Gort

98-63-20

Date _____

Pay _____ or order

€

_____

_____

_____

Cheque No. 002192 *Branch Sort Code* 98 6380 *Account No.* 48749022 02

PLEASE REMEMBER TO RETURN THIS SECTION A WITH YOUR ANSWER BOOK

AN ROINN OIDEACHAIS AGUS EOLAÍOCHTA

JUNIOR CERTIFICATE EXAMINATION, 2001

BUSINESS STUDIES – HIGHER LEVEL – PAPER I
SECTION B

(160 Marks)

WEDNESDAY, 13 JUNE, 2001 – MORNING, 9.30 to 12.00

All questions carry equal marks. Attempt any **FOUR** questions.
Marks will be awarded for layout and presentation including, where appropriate, Folios and dates showing the day, month and year. Calculators may be used.

1. Answer ALL sections. This is a Household Budget Question.

When the Doyle family checked their Analysed Cash Book at the end of December 2000, they found that their actual income and expenditure for the 12 months differed from the budgeted figures (contained in the Budget Comparison Statement at the end of Section A, page 7) due to the following:

- their salaries had increased by 10% from 1 July.
- child benefit had increased by IR£10 per month from 1 April for each of the two children in the family.
- the actual interest received was IR£37 less than budgeted.
- they had won a prize of a holiday in USA which they did not wish to use and had sold it for IR£1,200.
- the mortgage had increased by IR£55 per month from 1 March and by another IR£25 per month from 1 November.
- they had lost their no claims bonus of IR£240 on their car insurance due to a car crash during the year.
- house insurance costs were 20% higher than budgeted.
- household costs were 12½% less than budgeted.
- the cost of shoes and clothes amounted to IR£1,635.
- they had changed their car so that car costs had increased by IR£4,270 over those budgeted.
- a saving of 8% had been made in the light & heat budget.
- the only medical expense for the year had resulted from monthly medication costs of IR£25 for the last three months of the year.
- entertainment costs had averaged IR£60 per month.
- gifts were IR£20 less than budgeted.

(continued on next page)

OVER →

Document for use with Question 1. (A) in Section B.

1. (A) Budget Comparison Statement for the Doyle family for the Year 2000.

Income	**Budget IR£ Jan - Dec**	**Actual IR£**	**Difference IR£**
Salaries	18,000		
Child Benefit	960		
Interest	150		
Other	-		
Total Income	19,110		
Expenditure			
Fixed			
Mortgage	4,320		
Car Insurance	397		
House Insurance	170		
Sub Total	4,887		
Irregular			
Household Costs	7,504		
Shoes and Clothes	1,740		
Car Costs	1,500		
Light & Heat	1,800		
Medical Expenses	200		
Sub Total	12,744		
Discretionary			
Entertainment	1,000		
Gifts	200		
Sub Total	1,200		
Total Expenditure	18,831		
Net Cash: Surplus/Deficit	279		

OVER →

For use with Question 1. (B) in Section B.

1. (B) (i) Did the Doyle family have a Surplus or Deficit at the end of the year? What was this figure?

Answer _____

(ii) How much money had the Doyles intended to save during the year?

Answer IR£ _____

(iii) By how much did they exceed their budgeted expenditure?

Answer IR£ _____

(iv) What was their actual closing cash balance at the end of the year?

Answer IR£ _____

Document for use with Question 1. (C) in SECTION B.

Date _____
00475

Pay _____

Balance b/f	IR£3,276	00
Lodgement		
This cheque		
Balance c/f		

Bank of Ireland Date _____ 90-01-13
TRIM, CO. MEATH

Pay _____ or order

_____ IR£

_____

MICHAEL DOYLE

_____

00475 900113 3395134

AN ROINN OIDEACHAIS AGUS EOLAÍOCHTA

JUNIOR CERTIFICATE EXAMINATION, 2000

BUSINESS STUDIES – HIGHER LEVEL – PAPER I SECTION B

(160 Marks)

WEDNESDAY, 14 JUNE – MORNING 9.30 a.m. to 12.00

All questions carry equal marks. Attempt any **FOUR** questions.
Marks will be awarded for layout and presentation. Calculators may be used.

1. **Answer ALL sections. This is a Household Account and Budget Question.**

The Scanlon family keeps a record of all financial transactions in an Analysed Cash Book. On 1st March they had IR£215 in the bank.

During March they had the following bank transactions.

		IR£
March 2	Purchased paint for house by cheque (No. 32).	78
" 3	Lodged wages cheque.	1,347
" 4	Withdrew cash by A.T.M. for groceries.	68
" 6	Paid for coat by cheque (No. 33).	89
" 9	Paid for car service by cheque (No. 34).	35
" 10	Lodged children's allowance.	60
" 13	Paid for medicine by cheque (No. 35).	32
" 16	Paid house insurance by cheque (No. 36).	167
" 18	Withdrew cash by A.T.M. for groceries.	75
" 21	Bought petrol by cheque (No. 37).	49
" 25	Purchased shoes by cheque (No. 38).	56
" 27	Paid membership fee to Golf Club by cheque (No. 39).	450

(A) Enter the above figures in the Analysed Cash Book and balance it. Use the following money column headings:

Debit (Receipts) side: Total, Wages, Child Benefit, Other.
Credit (Payments) side: Total, Groceries, House, Shoes and Clothes, Car, Other. (20)

(continued on next page)

(B) Using the **Budget Comparison Statement**, provided at the end of **Section A** (page 7), enter the appropriate figures, from the **Analysed Cash Book** you have prepared, into the **"Actual"** column.

Then show the differences between the **"actual"** and **"budget"** figures by completing the column marked **"Difference"**.
Use a plus or minus sign in front of each figure in that column.

Note: Use plus sign (+), if "actual" is GREATER than the "budget" figure.
Use minus sign (–), if "actual" is LESS than the "budget" figure.

Example:

	Budget	Actual	Difference
	170	200	+ 30
	500	410	– 90
Total	670	610	– 60

(10)

(C) Answer the following questions in the spaces provided at the end of **Section A** (page 7).

(i) How much money had the Scanlons in the bank at the end of March?

(ii) How much money had the Scanlons intended to save in March?

(iii) How much money did the Scanlons save in March?

(iv) Name **two** types of insurance which the Scanlons would be legally obliged to pay. (10)

(40 marks)

2. **Answer ALL sections. This is a Banking Question.**

Thomas Burns, a returned emigrant, purchased a licensed premises called the Pure Drop Inn. He lived on the premises which were located at 26 Market Place, Lismore, Co. Waterford. He opened a current account No. 976251 in the name of the business at the T.S.B. in Lismore.

On 15th May, 2000 he made a lodgement of IR£974 to the business current account. The lodgement consisted of a cheque for IR£650, notes totalling £310 and the remainder in coins.

(A) Complete the lodgement form for the transaction of 15th May. Use the blank document supplied at the end of **Section A** (page 8). (13)

(B) Thomas was offered

(i) a cheque card

(ii) a credit card

(iii) overdraft accommodation

(iv) a night safe facility.

Explain briefly each of these services. (12)

Document for use with Question 1 (B) in SECTION B.

1. (B) Budget Comparison Statement

Income	**Budget**	**Actual**	**Difference**
Wages	1,280		
Child Benefit	70		
Others	–		
Total Income	1,350		
Expenditure			
Groceries	270		
House	390		
Shoes and Clothes	120		
Car	100		
Others	–		
Total Expenditure	880		
Net Cash	470		

(C) (i) How much money had the Scanlons in the bank at the end of March?

Answer IR£ _____

(ii) How much money had the Scanlons intended to save in March?

Answer IR£ _____

(iii) How much money did the Scanlons save in March?

Answer IR£ _____

(iv) Name two types of insurance which the Scanlons would be legally obliged to pay.

Answer (i) _____

(ii) _____

AN ROINN OIDEACHAIS AGUS EOLAÍOCHTA

JUNIOR CERTIFICATE EXAMINATION, 1999

BUSINESS STUDIES – HIGHER LEVEL – PAPER I
SECTION B

(160 Marks)

WEDNESDAY, 16 JUNE – MORNING 9.30 to 12.00

All questions carry equal marks. Attempt any **FOUR** questions.
Marks will be awarded for layout and presentation. Calculators may be used.

1. **Answer all sections. This is a Household Budget Question.**

(A) At the end of **Section A** is a partially completed budget for the Clark family for a six month period July to December.

You are required to complete this form by filling in the missing figures in the **"Total"** column and also the missing figures for **"Total income"** and in the section at the end dealing with Total Expenditure, Net Cash, Opening Cash and Closing Cash. (19)

(B) Answer the following questions in the space provided at the end of **Section A** (page 10).

(i) What is a budget?

(ii) Name a month in which there is a deficit.

(iii) Suggest one way of overcoming this deficit.

(iv) Give a reason why the mortgage might increase by 50% from October onwards.

(v) Explain how "Term Insurance" works.

(vi) The Clarks put their savings in a National Instalment Savings Scheme. Explain how this works. (21)

(40 marks)

For use with Question 1(A) in SECTION B.

1. Clark Family Budget July–December

	July	Aug	Sept	Oct	Nov	Dec	Total
INCOME	IR£	IR£	IR£	IR£	IR£	IR£	
Mr Clark – Salary	800	800	800	1,000	800	800	
Mrs Clark – Salary	950	950	950	950	950	1,050	
Child Benefit	45	45	45	45	45	45	
Other Income					170		
TOTAL INCOME							
EXPENDITURE							
Fixed							
Mortgage	500	500	500	750	750	750	3,750
Life Term Insurance			270				270
Car Loan	120	120	120	120			480
Car Tax			185				185
Car Insurance			476				476
House Insurance		238					238
Subtotal	**620**	**858**	**1,551**	**870**	**750**	**750**	**5,399**
Irregular							
Housekeeping	680	680	750	680	700	900	4,390
E.S.B.	50		60		80		190
Telephone		85		85		90	260
School Expenses		120	180				300
Subtotal	**730**	**885**	**990**	**765**	**780**	**990**	**5,140**
Discretionary							
Birthdays					30		30
Entertainment	60	60	60	60	60	80	380
Savings	40	40	40	40	40	40	240
Subtotal	**100**	**100**	**100**	**100**	**130**	**120**	**650**
TOTAL EXPENDITURE							
Net Cash							
Opening Cash/Deficit	68						
Closing Cash/Deficit							

For use with Question 1 (B) in Section B.

(i) What is a Budget?

Answer _____

_____

(ii) Name a month in which there is a deficit.

Answer _____

(iii) Suggest one way of reducing this deficit.

Answer _____

_____

(iv) Give a reason why the mortgage might increase by 50% from October onwards.

Answer _____

_____

(v) Explain how "Term Insurance" works.

Answer _____

_____

_____

_____

(vi) Explain how "National Instalment Savings Scheme" works.

Answer _____

_____

_____

_____

_____

AN ROINN OIDEACHAIS AGUS EOLAÍOCHTA

JUNIOR CERTIFICATE EXAMINATION, 1998

BUSINESS STUDIES – HIGHER LEVEL – PAPER I
SECTION B

(160 Marks)

WEDNESDAY, 17 JUNE – MORNING 9.30 to 12.00

All questions carry equal marks. Attempt any **FOUR** questions.
Marks will be awarded for layout and presentation. Calculators may be used.

1. Answer (A) and (B). This is a Household Budget Question.

(A) Towards the end of **Section A** of this paper is an original Budget and a revised Budget form for the O'Hara family from July to September.

After preparing the Budget for July-September Mr. O'Hara, who had been drawing unemployment assistance, secured permanent employment. This would result in a substantial increase in the family's income starting in July. The O'Haras decided to revise their budget in view of the changed circumstances.

You are required to complete the revised budget form, taking the following into account:

- Mr. O'Hara's annual salary will be IR£9,540 net payable monthly.
- Mr. & Mrs. O'Hara decided to buy a second family car by getting a loan. The total cost of the loan including interest will be IR£7,920 repayable monthly over 3 years beginning in July.
- The insurance on the new car will cost IR£750 per annum payable on July 1st.
- The road tax on this new car is IR£180 per annum payable quarterly from July 1st.
- Car running costs will increase by 80%.
- It is estimated that entertainment will increase to IR£100 per month.
- They intend decorating the sitting room in September at a cost of IR£1,000.
- All other income and expenses are to remain the same.

(24)

Budget for use in Section B Question 1(A)

(A)

	Original budget				Revised budget			
	July	Aug.	Sept.	Total	July	Aug.	Sept.	Total
INCOME								
Mr. O'Hara	240	240	240	720				
Mrs. O'Hara	700	700	700	2100				
Child Benefit	30	30	30	90				
Total Income	970	970	970	2910				
EXPENDITURE								
Fixed								
House Mortgage	160	160	160	480				
Car Loan								
Car Insurance								
Car Tax	40			40				
House Insurance		140		140				
Sub Total	200	300	160	660				
Irregular								
House Keeping	360	360	360	1080				
Car Running Costs	85	85	85	255				
Telephone & ESB	190	50	55	295				
School Expenses			75	75				
Sub Total	635	495	575	1705				
Discretionary								
Entertainment	40	40	40	120				
House Decoration								
Birthdays	15			15				
Sub Total	55	40	40	135				
Total Expenditure	890	835	775	2500				
Net Cash	80	135	195	410				
Opening Cash	–650	–570	–435	–650				
Closing Cash	–570	–435	–240	–240				

Outline for use in Section B Question 1(B)

(B) (i) Comment on the O'Hara's finances before July.

Answer: _____

_____

_____

(ii) If the O'Hara family had not received an increase in income would you consider the original budget a good one? Give reasons for your answer.

Answer: _____

_____

_____

_____

(iii) Is their revised budget a good one for their new circumstances? Give reasons for your answer.

Answer: _____

_____

_____

_____

(iv) What financial advice would you offer.

Answer: _____

_____

_____

_____

_____

Document for use in Section B Question 2(B)

Receipt
Trá Bán Hotel
Ballybunion, Co. Kerry.

Date_____ No: 157

Received from: _____

The Sum of: _____

IR£_____ Signed:_____

With Thanks Accounts Dept.